



Rep. Luis Arroyo

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1 AMENDMENT TO HOUSE BILL 2713

2 AMENDMENT NO. _____. Amend House Bill 2713 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. This Act may be referred to as the Coal to
5 Solar and Energy Storage Act.

6 Section 5. Legislative findings. The General Assembly
7 finds and declares:

8 (1) The overall objectives of regulation of the
9 electric utility industry in this State, as expressed by
10 the General Assembly in the Illinois Power Agency Act and
11 the Public Utilities Act, include the provision of
12 adequate, efficient, reliable, environmentally safe, and
13 least-cost utility services at prices that accurately
14 reflect the long-term cost of such services and which are
15 equitable to all citizens.

16 (2) For many years, a significant portion of the

1 electricity consumed by consumers and businesses in this
2 State, particularly in the downstate region of this State,
3 has been produced by large electric generating stations,
4 located in the downstate region, that burn coal as their
5 primary source of fuel. Further, these electric generating
6 stations are typically available to provide electricity to
7 serve the demands of retail customers 24 hours per day, 7
8 days per week, without regard to natural conditions such as
9 wind speeds or the hours in which solar energy is
10 available.

11 (3) The electric generating stations located in the
12 downstate region of this State are, and have been for many
13 years, significant sources of employment, economic
14 activity, and tax revenues for the communities and
15 surrounding areas in which they are located; in many cases,
16 these electric generating stations are the largest
17 employers in the communities in which they are located and
18 the largest property taxpayers to the school districts,
19 municipalities, counties, and other units of local
20 government in which the generating stations are located.

21 (4) In recent years, the prices for electric generating
22 capacity and electric energy available to coal-fueled
23 electric generating stations located in the downstate
24 region of this State have not been sufficient to enable
25 some electric generating facilities located within the
26 downstate region to remain in operation, and has placed

1 other electric generating stations in the downstate region
2 at economic risk of closure.

3 (5) Additionally, the burning of coal as a fuel to
4 generate electricity has been cited by some academic,
5 governmental, and other sources as a cause of potential
6 environmental damage, particularly through the production
7 and release of carbon dioxide as a by-product and due to
8 issues associated with the storage and disposition of ash
9 resulting from the combustion of coal.

10 (6) Since 2015, electric generating facilities located
11 in the downstate region with generating capacity, in the
12 aggregate, of more than 1,700 megawatts have been
13 permanently retired so that this capacity is no longer
14 available to serve the demands of Illinois electricity
15 consumers. It is estimated that additional electric
16 generating facilities located in the downstate region with
17 generating capacity, in the aggregate, of at least 3,000
18 megawatts is currently at risk of retirement in light of
19 low prices for electric generating capacity and electric
20 energy prevailing in Load Zone 4 of the Midcontinent
21 Independent System Operator, Inc. The vast majority of
22 these retired, mothballed, and at-risk electric generating
23 facilities in the downstate region burn or burned coal as
24 their primary fuel source for the generation of
25 electricity.

26 (7) To a significant extent, as the existing bulk power

1 system is configured, electricity, when generated, cannot
2 be stored for future use. Rather, for the most part,
3 electricity must be generated instantaneously at the time
4 and in the amount that it is demanded by residential and
5 business consumers. This characteristic of the existing
6 bulk power system is unlikely to change significantly in
7 the near term. This requires that there be sufficient
8 generating capacity available and ready to produce
9 electricity to meet the demands of consumers within each
10 load zone in this State, 24 hours per day, 7 days per week,
11 on every day of the year. Reliable electric service at all
12 times is essential to the functioning of a modern economy
13 and of society in general. The health, welfare, and
14 prosperity of Illinois citizens, including the
15 attractiveness of the State of Illinois to business and
16 industry, requires the availability of sufficient electric
17 generating capacity to meet the demands of consumers and
18 businesses in this State at all times.

19 (8) In the near term, there is uncertainty as to the
20 sufficiency of electric generating resources to reliably
21 serve the electric capacity and energy needs of residential
22 and business electricity customers in the downstate
23 region, particularly in light of the large amount of
24 coal-fueled electric generating resources in the downstate
25 region that are economically at risk and may retire in the
26 near future. Both the Midcontinent Independent System

1 Operator, Inc., which is the independent transmission
2 system operator for downstate Illinois, and its
3 Independent Market Monitor, have expressed concerns about
4 the sufficiency of electric generating resources in
5 downstate Illinois overall the next several years, due
6 primarily to the possibility of additional retirements of
7 coal-fueled electric generating facilities and concerns
8 about how quickly and extensively new wind and photovoltaic
9 generating facilities will be placed into service.
10 Concerns have also been expressed, based on the
11 intermittent nature of wind and solar generating
12 facilities, as to whether the grid can operate reliably
13 without sufficient dispatchable generation resources or
14 energy storage to balance the output of renewable
15 generating facilities. Other commentators have stated that
16 such concerns about resource adequacy in downstate
17 Illinois are overstated. However, the General Assembly
18 believes that the State cannot afford to find itself in a
19 situation of insufficient electric generating resources to
20 meet the needs of Illinois residential and business
21 consumers.

22 (9) Consistent with the overall objectives of the
23 regulation of the electric utility industry in this State,
24 regulation should ensure that sufficient generating
25 capacity resources are available on both a short-term basis
26 and a long-term basis to enable the electric utility grid

1 to meet the demands of Illinois electricity consumers at
2 all times.

3 (10) Through previous enactments beginning in 1997,
4 the General Assembly has mandated that electric utilities
5 and other load-serving entities in this State obtain
6 specified portions of the electric energy needed to serve
7 their retail loads in this State through the procurement of
8 electricity or renewable energy credits from renewable
9 energy resources, among other means through procurement
10 events managed and supervised by the Illinois Power Agency.

11 (11) Correspondingly, through previous enactments
12 beginning in 1997, the General Assembly has provided
13 incentives for the construction and operation of wind,
14 photovoltaic, and other types of renewable energy
15 resources to serve load in Illinois, and has mandated the
16 imposition of charges to retail customers, subject to caps,
17 to fund the procurement of electricity and renewable energy
18 credits from such facilities. In such enactments, the
19 General Assembly has recognized that providing
20 opportunities to enter into long-term contracts for the
21 purchase of electricity and/or renewable energy credits
22 from renewable energy resources creates incentives for the
23 construction and operation of such resources.

24 (12) However, the permitting and siting of new wind and
25 photovoltaic generating resources in Illinois is subject
26 to local governmental control, rather than State control,

1 and in many areas of this State, there has been strong
2 opposition to the siting and construction of new
3 utility-scale wind and photovoltaic generating resources,
4 which in turn has resulted in the denial of, or withdrawal
5 of requests for, necessary approvals for some projects and
6 the enactment of local zoning ordinances imposing
7 requirements and restrictions that increase the costs and
8 reduce the economic attractiveness of such projects. This
9 has resulted in the delay or cancellation of a number of
10 new renewable energy resource projects.

11 (13) In light of the intermittent nature of many types
12 of renewable energy resources, such as wind and
13 photovoltaic generation resources, the installation and
14 operation of electricity storage facilities in conjunction
15 with installation and operation of renewable generation
16 resources can enhance the value of such resources to the
17 electric grid, particularly as a source of electric
18 capacity as well as electric energy.

19 (14) Through legislation enacted in 2016, the General
20 Assembly, through the program commonly referred to as the
21 zero emission credit program, has provided for the
22 continued economic viability of certain
23 economically-challenged electric generating facilities in
24 Illinois that are also significant employers and
25 taxpayers, through requiring certain Illinois electric
26 utilities to purchase specified amounts of zero emission

1 credits from these generating facilities, with such
2 purchases to be funded through an additional charge to the
3 electric utilities' retail customers as specified in the
4 legislation.

5 (15) Many of the large electric generating stations
6 located in the downstate region of this State have existing
7 infrastructure and other characteristics which make them
8 suitable sites for development of new renewable energy
9 resources, including large amounts of available land
10 situated at a suitable distance from inhabited areas, and
11 high voltage interconnections to the bulk electric system
12 transmission grid.

13 (16) It is appropriate for the State of Illinois to
14 establish a program to provide for incentives for the
15 installation and operation of new renewable energy
16 resources at the sites of existing coal-fueled electric
17 generating facilities in the downstate region of this
18 State, to provide incentives for continued operation, in
19 the near term, of some portion of the coal-fueled
20 generating facilities in the downstate region to ensure the
21 availability of sufficient electric capacity and energy
22 resources to meet the demands of residential and business
23 electricity consumers in the downstate region as well as in
24 the State as a whole, while at the same time also providing
25 incentives for the transition to retirement of some
26 additional portion of the electric generating facilities

1 in the downstate region that burn coal as their fuel
2 source.

3 Section 10. The Illinois Power Agency Act is amended by
4 changing Sections 1-20 and 1-75 as follows:

5 (20 ILCS 3855/1-20)

6 Sec. 1-20. General powers of the Agency.

7 (a) The Agency is authorized to do each of the following:

8 (1) Develop electricity procurement plans to ensure
9 adequate, reliable, affordable, efficient, and
10 environmentally sustainable electric service at the lowest
11 total cost over time, taking into account any benefits of
12 price stability, for electric utilities that on December
13 31, 2005 provided electric service to at least 100,000
14 customers in Illinois and for small multi-jurisdictional
15 electric utilities that (A) on December 31, 2005 served
16 less than 100,000 customers in Illinois and (B) request a
17 procurement plan for their Illinois jurisdictional load.
18 Except as provided in paragraph (1.5) of this subsection
19 (a), the electricity procurement plans shall be updated on
20 an annual basis and shall include electricity generated
21 from renewable resources sufficient to achieve the
22 standards specified in this Act. Beginning with the
23 delivery year commencing June 1, 2017, develop procurement
24 plans to include zero emission credits generated from zero

1 emission facilities sufficient to achieve the standards
2 specified in this Act.

3 (1.5) Develop a long-term renewable resources
4 procurement plan in accordance with subsection (c) of
5 Section 1-75 of this Act for renewable energy credits in
6 amounts sufficient to achieve the standards specified in
7 this Act for delivery years commencing June 1, 2017 and for
8 the programs and renewable energy credits specified in
9 Section 1-56 of this Act. Electricity procurement plans for
10 delivery years commencing after May 31, 2017, shall not
11 include procurement of renewable energy resources.

12 (2) Conduct competitive procurement processes to
13 procure the supply resources identified in the electricity
14 procurement plan, pursuant to Section 16-111.5 of the
15 Public Utilities Act, and, for the delivery year commencing
16 June 1, 2017, conduct procurement processes to procure zero
17 emission credits from zero emission facilities, under
18 subsection (d-5) of Section 1-75 of this Act.

19 (2.5) Beginning with the procurement for the 2017
20 delivery year, conduct competitive procurement processes
21 and implement programs to procure renewable energy credits
22 identified in the long-term renewable resources
23 procurement plan developed and approved under subsection
24 (c) of Section 1-75 of this Act and Section 16-111.5 of the
25 Public Utilities Act.

26 (2.10) Oversee the procurement, by electric utilities

1 serving more than 300,000 customers in this State as of
2 January 1, 2019, of renewable energy credits from new
3 renewable energy resources to be installed at the sites of
4 electric generating facilities that burned coal as their
5 primary fuel source as of January 1, 2019, in accordance
6 with subsection (c-5) of Section 1-75 of this Act.

7 (3) Develop electric generation and co-generation
8 facilities that use indigenous coal or renewable
9 resources, or both, financed with bonds issued by the
10 Illinois Finance Authority.

11 (4) Supply electricity from the Agency's facilities at
12 cost to one or more of the following: municipal electric
13 systems, governmental aggregators, or rural electric
14 cooperatives in Illinois.

15 (b) Except as otherwise limited by this Act, the Agency has
16 all of the powers necessary or convenient to carry out the
17 purposes and provisions of this Act, including without
18 limitation, each of the following:

19 (1) To have a corporate seal, and to alter that seal at
20 pleasure, and to use it by causing it or a facsimile to be
21 affixed or impressed or reproduced in any other manner.

22 (2) To use the services of the Illinois Finance
23 Authority necessary to carry out the Agency's purposes.

24 (3) To negotiate and enter into loan agreements and
25 other agreements with the Illinois Finance Authority.

26 (4) To obtain and employ personnel and hire consultants

1 that are necessary to fulfill the Agency's purposes, and to
2 make expenditures for that purpose within the
3 appropriations for that purpose.

4 (5) To purchase, receive, take by grant, gift, devise,
5 bequest, or otherwise, lease, or otherwise acquire, own,
6 hold, improve, employ, use, and otherwise deal in and with,
7 real or personal property whether tangible or intangible,
8 or any interest therein, within the State.

9 (6) To acquire real or personal property, whether
10 tangible or intangible, including without limitation
11 property rights, interests in property, franchises,
12 obligations, contracts, and debt and equity securities,
13 and to do so by the exercise of the power of eminent domain
14 in accordance with Section 1-21; except that any real
15 property acquired by the exercise of the power of eminent
16 domain must be located within the State.

17 (7) To sell, convey, lease, exchange, transfer,
18 abandon, or otherwise dispose of, or mortgage, pledge, or
19 create a security interest in, any of its assets,
20 properties, or any interest therein, wherever situated.

21 (8) To purchase, take, receive, subscribe for, or
22 otherwise acquire, hold, make a tender offer for, vote,
23 employ, sell, lend, lease, exchange, transfer, or
24 otherwise dispose of, mortgage, pledge, or grant a security
25 interest in, use, and otherwise deal in and with, bonds and
26 other obligations, shares, or other securities (or

1 interests therein) issued by others, whether engaged in a
2 similar or different business or activity.

3 (9) To make and execute agreements, contracts, and
4 other instruments necessary or convenient in the exercise
5 of the powers and functions of the Agency under this Act,
6 including contracts with any person, including personal
7 service contracts, or with any local government, State
8 agency, or other entity; and all State agencies and all
9 local governments are authorized to enter into and do all
10 things necessary to perform any such agreement, contract,
11 or other instrument with the Agency. No such agreement,
12 contract, or other instrument shall exceed 40 years.

13 (10) To lend money, invest and reinvest its funds in
14 accordance with the Public Funds Investment Act, and take
15 and hold real and personal property as security for the
16 payment of funds loaned or invested.

17 (11) To borrow money at such rate or rates of interest
18 as the Agency may determine, issue its notes, bonds, or
19 other obligations to evidence that indebtedness, and
20 secure any of its obligations by mortgage or pledge of its
21 real or personal property, machinery, equipment,
22 structures, fixtures, inventories, revenues, grants, and
23 other funds as provided or any interest therein, wherever
24 situated.

25 (12) To enter into agreements with the Illinois Finance
26 Authority to issue bonds whether or not the income

1 therefrom is exempt from federal taxation.

2 (13) To procure insurance against any loss in
3 connection with its properties or operations in such amount
4 or amounts and from such insurers, including the federal
5 government, as it may deem necessary or desirable, and to
6 pay any premiums therefor.

7 (14) To negotiate and enter into agreements with
8 trustees or receivers appointed by United States
9 bankruptcy courts or federal district courts or in other
10 proceedings involving adjustment of debts and authorize
11 proceedings involving adjustment of debts and authorize
12 legal counsel for the Agency to appear in any such
13 proceedings.

14 (15) To file a petition under Chapter 9 of Title 11 of
15 the United States Bankruptcy Code or take other similar
16 action for the adjustment of its debts.

17 (16) To enter into management agreements for the
18 operation of any of the property or facilities owned by the
19 Agency.

20 (17) To enter into an agreement to transfer and to
21 transfer any land, facilities, fixtures, or equipment of
22 the Agency to one or more municipal electric systems,
23 governmental aggregators, or rural electric agencies or
24 cooperatives, for such consideration and upon such terms as
25 the Agency may determine to be in the best interest of the
26 citizens of Illinois.

1 (18) To enter upon any lands and within any building
2 whenever in its judgment it may be necessary for the
3 purpose of making surveys and examinations to accomplish
4 any purpose authorized by this Act.

5 (19) To maintain an office or offices at such place or
6 places in the State as it may determine.

7 (20) To request information, and to make any inquiry,
8 investigation, survey, or study that the Agency may deem
9 necessary to enable it effectively to carry out the
10 provisions of this Act.

11 (21) To accept and expend appropriations.

12 (22) To engage in any activity or operation that is
13 incidental to and in furtherance of efficient operation to
14 accomplish the Agency's purposes, including hiring
15 employees that the Director deems essential for the
16 operations of the Agency.

17 (23) To adopt, revise, amend, and repeal rules with
18 respect to its operations, properties, and facilities as
19 may be necessary or convenient to carry out the purposes of
20 this Act, subject to the provisions of the Illinois
21 Administrative Procedure Act and Sections 1-22 and 1-35 of
22 this Act.

23 (24) To establish and collect charges and fees as
24 described in this Act.

25 (25) To conduct competitive gasification feedstock
26 procurement processes to procure the feedstocks for the

1 clean coal SNG brownfield facility in accordance with the
2 requirements of Section 1-78 of this Act.

3 (26) To review, revise, and approve sourcing
4 agreements and mediate and resolve disputes between gas
5 utilities and the clean coal SNG brownfield facility
6 pursuant to subsection (h-1) of Section 9-220 of the Public
7 Utilities Act.

8 (27) To request, review and accept proposals, execute
9 contracts, purchase renewable energy credits and otherwise
10 dedicate funds from the Illinois Power Agency Renewable
11 Energy Resources Fund to create and carry out the
12 objectives of the Illinois Solar for All program in
13 accordance with Section 1-56 of this Act.

14 (Source: P.A. 99-906, eff. 6-1-17.)

15 (20 ILCS 3855/1-75)

16 Sec. 1-75. Planning and Procurement Bureau. The Planning
17 and Procurement Bureau has the following duties and
18 responsibilities:

19 (a) The Planning and Procurement Bureau shall each year,
20 beginning in 2008, develop procurement plans and conduct
21 competitive procurement processes in accordance with the
22 requirements of Section 16-111.5 of the Public Utilities Act
23 for the eligible retail customers of electric utilities that on
24 December 31, 2005 provided electric service to at least 100,000
25 customers in Illinois. Beginning with the delivery year

1 commencing on June 1, 2017, the Planning and Procurement Bureau
2 shall develop plans and processes for the procurement of zero
3 emission credits from zero emission facilities in accordance
4 with the requirements of subsection (d-5) of this Section. The
5 Planning and Procurement Bureau shall also develop procurement
6 plans and conduct competitive procurement processes in
7 accordance with the requirements of Section 16-111.5 of the
8 Public Utilities Act for the eligible retail customers of small
9 multi-jurisdictional electric utilities that (i) on December
10 31, 2005 served less than 100,000 customers in Illinois and
11 (ii) request a procurement plan for their Illinois
12 jurisdictional load. This Section shall not apply to a small
13 multi-jurisdictional utility until such time as a small
14 multi-jurisdictional utility requests the Agency to prepare a
15 procurement plan for their Illinois jurisdictional load. For
16 the purposes of this Section, the term "eligible retail
17 customers" has the same definition as found in Section
18 16-111.5(a) of the Public Utilities Act.

19 Beginning with the plan or plans to be implemented in the
20 2017 delivery year, the Agency shall no longer include the
21 procurement of renewable energy resources in the annual
22 procurement plans required by this subsection (a), except as
23 provided in subsection (q) of Section 16-111.5 of the Public
24 Utilities Act, and shall instead develop a long-term renewable
25 resources procurement plan in accordance with subsection (c) of
26 this Section and Section 16-111.5 of the Public Utilities Act.

1 In accordance with subsection (c-5) of this Section, the
2 Planning and Procurement Bureau shall oversee the procurement
3 by electric utilities serving more than 300,000 retail
4 customers in this State as of January 1, 2019 of renewable
5 energy credits from new renewable energy resources to be
6 installed at the sites of electric generating facilities that
7 as of January 1, 2019, burned coal as their primary fuel
8 source.

9 (1) The Agency shall each year, beginning in 2008, as
10 needed, issue a request for qualifications for experts or
11 expert consulting firms to develop the procurement plans in
12 accordance with Section 16-111.5 of the Public Utilities
13 Act. In order to qualify an expert or expert consulting
14 firm must have:

15 (A) direct previous experience assembling
16 large-scale power supply plans or portfolios for
17 end-use customers;

18 (B) an advanced degree in economics, mathematics,
19 engineering, risk management, or a related area of
20 study;

21 (C) 10 years of experience in the electricity
22 sector, including managing supply risk;

23 (D) expertise in wholesale electricity market
24 rules, including those established by the Federal
25 Energy Regulatory Commission and regional transmission
26 organizations;

1 (E) expertise in credit protocols and familiarity
2 with contract protocols;

3 (F) adequate resources to perform and fulfill the
4 required functions and responsibilities; and

5 (G) the absence of a conflict of interest and
6 inappropriate bias for or against potential bidders or
7 the affected electric utilities.

8 (2) The Agency shall each year, as needed, issue a
9 request for qualifications for a procurement administrator
10 to conduct the competitive procurement processes in
11 accordance with Section 16-111.5 of the Public Utilities
12 Act. In order to qualify an expert or expert consulting
13 firm must have:

14 (A) direct previous experience administering a
15 large-scale competitive procurement process;

16 (B) an advanced degree in economics, mathematics,
17 engineering, or a related area of study;

18 (C) 10 years of experience in the electricity
19 sector, including risk management experience;

20 (D) expertise in wholesale electricity market
21 rules, including those established by the Federal
22 Energy Regulatory Commission and regional transmission
23 organizations;

24 (E) expertise in credit and contract protocols;

25 (F) adequate resources to perform and fulfill the
26 required functions and responsibilities; and

(G) the absence of a conflict of interest and inappropriate bias for or against potential bidders or the affected electric utilities.

(3) The Agency shall provide affected utilities and other interested parties with the lists of qualified experts or expert consulting firms identified through the request for qualifications processes that are under consideration to develop the procurement plans and to serve as the procurement administrator. The Agency shall also provide each qualified expert's or expert consulting firm's response to the request for qualifications. All information provided under this subparagraph shall also be provided to the Commission. The Agency may provide by rule for fees associated with supplying the information to utilities and other interested parties. These parties shall, within 5 business days, notify the Agency in writing if they object to any experts or expert consulting firms on the lists. Objections shall be based on:

(A) failure to satisfy qualification criteria;

(B) identification of a conflict of interest; or

(C) evidence of inappropriate bias for or against potential bidders or the affected utilities.

The Agency shall remove experts or expert consulting firms from the lists within 10 days if there is a reasonable basis for an objection and provide the updated lists to the affected utilities and other interested

1 parties. If the Agency fails to remove an expert or expert
2 consulting firm from a list, an objecting party may seek
3 review by the Commission within 5 days thereafter by filing
4 a petition, and the Commission shall render a ruling on the
5 petition within 10 days. There is no right of appeal of the
6 Commission's ruling.

7 (4) The Agency shall issue requests for proposals to
8 the qualified experts or expert consulting firms to develop
9 a procurement plan for the affected utilities and to serve
10 as procurement administrator.

11 (5) The Agency shall select an expert or expert
12 consulting firm to develop procurement plans based on the
13 proposals submitted and shall award contracts of up to 5
14 years to those selected.

15 (6) The Agency shall select an expert or expert
16 consulting firm, with approval of the Commission, to serve
17 as procurement administrator based on the proposals
18 submitted. If the Commission rejects, within 5 days, the
19 Agency's selection, the Agency shall submit another
20 recommendation within 3 days based on the proposals
21 submitted. The Agency shall award a 5-year contract to the
22 expert or expert consulting firm so selected with
23 Commission approval.

24 (b) The experts or expert consulting firms retained by the
25 Agency shall, as appropriate, prepare procurement plans, and
26 conduct a competitive procurement process as prescribed in

Section 16-111.5 of the Public Utilities Act, to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for eligible retail customers of electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in the State of Illinois, and for eligible Illinois retail customers of small multi-jurisdictional electric utilities that (i) on December 31, 2005 served less than 100,000 customers in Illinois and (ii) request a procurement plan for their Illinois jurisdictional load.

(c) Renewable portfolio standard.

(1) (A) The Agency shall develop a long-term renewable resources procurement plan that shall include procurement programs and competitive procurement events necessary to meet the goals set forth in this subsection (c). The initial long-term renewable resources procurement plan shall be released for comment no later than 160 days after June 1, 2017 (the effective date of Public Act 99-906). The Agency shall review, and may revise on an expedited basis, the long-term renewable resources procurement plan at least every 2 years, which shall be conducted in conjunction with the procurement plan under Section 16-111.5 of the Public Utilities Act to the extent practicable to minimize administrative expense. The long-term renewable resources procurement plans shall be

1 subject to review and approval by the Commission under
2 Section 16-111.5 of the Public Utilities Act.

3 (B) Subject to subparagraph (F) of this paragraph (1),
4 the long-term renewable resources procurement plan shall
5 include the goals for procurement of renewable energy
6 credits to meet at least the following overall percentages:
7 13% by the 2017 delivery year; increasing by at least 1.5%
8 each delivery year thereafter to at least 25% by the 2025
9 delivery year; and continuing at no less than 25% for each
10 delivery year thereafter. In the event of a conflict
11 between these goals and the new wind and new photovoltaic
12 procurement requirements described in items (i) through
13 (iii) of subparagraph (C) of this paragraph (1), the
14 long-term plan shall prioritize compliance with the new
15 wind and new photovoltaic procurement requirements
16 described in items (i) through (iii) of subparagraph (C) of
17 this paragraph (1) over the annual percentage targets
18 described in this subparagraph (B).

19 For the delivery year beginning June 1, 2017, the
20 procurement plan shall include cost-effective renewable
21 energy resources equal to at least 13% of each utility's
22 load for eligible retail customers and 13% of the
23 applicable portion of each utility's load for retail
24 customers who are not eligible retail customers, which
25 applicable portion shall equal 50% of the utility's load
26 for retail customers who are not eligible retail customers

1 on February 28, 2017.

2 For the delivery year beginning June 1, 2018, the
3 procurement plan shall include cost-effective renewable
4 energy resources equal to at least 14.5% of each utility's
5 load for eligible retail customers and 14.5% of the
6 applicable portion of each utility's load for retail
7 customers who are not eligible retail customers, which
8 applicable portion shall equal 75% of the utility's load
9 for retail customers who are not eligible retail customers
10 on February 28, 2017.

11 For the delivery year beginning June 1, 2019, and for
12 each year thereafter, the procurement plans shall include
13 cost-effective renewable energy resources equal to a
14 minimum percentage of each utility's load for all retail
15 customers as follows: 16% by June 1, 2019; increasing by
16 1.5% each year thereafter to 25% by June 1, 2025; and 25%
17 by June 1, 2026 and each year thereafter.

18 For each delivery year, the Agency shall first
19 recognize each utility's obligations for that delivery
20 year under existing contracts. Any renewable energy
21 credits under existing contracts, including renewable
22 energy credits as part of renewable energy resources, shall
23 be used to meet the goals set forth in this subsection (c)
24 for the delivery year.

25 (C) Of the renewable energy credits procured under this
26 subsection (c), at least 75% shall come from wind and

photovoltaic projects. The long-term renewable resources procurement plan described in subparagraph (A) of this paragraph (1) shall include the procurement of renewable energy credits in amounts equal to at least the following:

(i) By the end of the 2020 delivery year:

At least 2,000,000 renewable energy credits for each delivery year shall come from new wind projects; and

At least 2,000,000 renewable energy credits for each delivery year shall come from new photovoltaic projects; of that amount, to the extent possible, the Agency shall procure: at least 50% from solar photovoltaic projects using the program outlined in subparagraph (K) of this paragraph (1) from distributed renewable energy generation devices or community renewable generation projects; at least 40% from utility-scale solar projects; at least 2% from brownfield site photovoltaic projects that are not community renewable generation projects; and the remainder shall be determined through the long-term planning process described in subparagraph (A) of this paragraph (1).

(ii) By the end of the 2025 delivery year:

At least 3,000,000 renewable energy credits for each delivery year shall come from new wind

1 projects; and

2 At least 3,000,000 renewable energy credits
3 for each delivery year shall come from new
4 photovoltaic projects; of that amount, to the
5 extent possible, the Agency shall procure: at
6 least 50% from solar photovoltaic projects using
7 the program outlined in subparagraph (K) of this
8 paragraph (1) from distributed renewable energy
9 devices or community renewable generation
10 projects; at least 40% from utility-scale solar
11 projects; at least 2% from brownfield site
12 photovoltaic projects that are not community
13 renewable generation projects; and the remainder
14 shall be determined through the long-term planning
15 process described in subparagraph (A) of this
16 paragraph (1).

17 (iii) By the end of the 2030 delivery year:

18 At least 4,000,000 renewable energy credits
19 for each delivery year shall come from new wind
20 projects; and

21 At least 4,000,000 renewable energy credits
22 for each delivery year shall come from new
23 photovoltaic projects; of that amount, to the
24 extent possible, the Agency shall procure: at
25 least 50% from solar photovoltaic projects using
26 the program outlined in subparagraph (K) of this

1 paragraph (1) from distributed renewable energy
2 devices or community renewable generation
3 projects; at least 40% from utility-scale solar
4 projects; at least 2% from brownfield site
5 photovoltaic projects that are not community
6 renewable generation projects; and the remainder
7 shall be determined through the long-term planning
8 process described in subparagraph (A) of this
9 paragraph (1).

10 For purposes of this Section:

11 "New wind projects" means wind renewable
12 energy facilities that are energized after June 1,
13 2017 for the delivery year commencing June 1, 2017
14 or within 3 years after the date the Commission
15 approves contracts for subsequent delivery years.

16 "New photovoltaic projects" means photovoltaic
17 renewable energy facilities that are energized
18 after June 1, 2017. Photovoltaic projects
19 developed under Section 1-56 of this Act shall not
20 apply towards the new photovoltaic project
21 requirements in this subparagraph (C).

22 (D) Renewable energy credits shall be cost effective.

23 For purposes of this subsection (c), "cost effective" means
24 that the costs of procuring renewable energy resources do
25 not cause the limit stated in subparagraph (E) of this
26 paragraph (1) to be exceeded and, for renewable energy

1 credits procured through a competitive procurement event,
2 do not exceed benchmarks based on market prices for like
3 products in the region. For purposes of this subsection
4 (c), "like products" means contracts for renewable energy
5 credits from the same or substantially similar technology,
6 same or substantially similar vintage (new or existing),
7 the same or substantially similar quantity, and the same or
8 substantially similar contract length and structure.
9 Benchmarks shall be developed by the procurement
10 administrator, in consultation with the Commission staff,
11 Agency staff, and the procurement monitor and shall be
12 subject to Commission review and approval. If price
13 benchmarks for like products in the region are not
14 available, the procurement administrator shall establish
15 price benchmarks based on publicly available data on
16 regional technology costs and expected current and future
17 regional energy prices. The benchmarks in this Section
18 shall not be used to curtail or otherwise reduce
19 contractual obligations entered into by or through the
20 Agency prior to June 1, 2017 (the effective date of Public
21 Act 99-906).

22 (E) For purposes of this subsection (c), the required
23 procurement of cost-effective renewable energy resources
24 for a particular year commencing prior to June 1, 2017
25 shall be measured as a percentage of the actual amount of
26 electricity (megawatt-hours) supplied by the electric

utility to eligible retail customers in the delivery year ending immediately prior to the procurement, and, for delivery years commencing on and after June 1, 2017, the required procurement of cost-effective renewable energy resources for a particular year shall be measured as a percentage of the actual amount of electricity (megawatt-hours) delivered by the electric utility in the delivery year ending immediately prior to the procurement, to all retail customers in its service territory. For purposes of this subsection (c), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (c), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges, and add-on taxes.

Notwithstanding the requirements of this subsection (c), the total of renewable energy resources procured under the procurement plan for any single year shall be subject to the limitations of this subparagraph (E). Such procurement shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of 2.015% of the amount paid per kilowatthour by

those customers during the year ending May 31, 2007 or the incremental amount per kilowatthour paid for these resources in 2011. To arrive at a maximum dollar amount of renewable energy resources to be procured for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered, or applicable portion of such amount as specified in paragraph (1) of this subsection (c), as applicable, by the electric utility in the delivery year immediately prior to the procurement to all retail customers in its service territory. The calculations required by this subparagraph (E) shall be made only once for each delivery year at the time that the renewable energy resources are procured. Once the determination as to the amount of renewable energy resources to procure is made based on the calculations set forth in this subparagraph (E) and the contracts procuring those amounts are executed, no subsequent rate impact determinations shall be made and no adjustments to those contract amounts shall be allowed. All costs incurred under such contracts shall be fully recoverable by the electric utility as provided in this Section.

(F) If the limitation on the amount of renewable energy resources procured in subparagraph (E) of this paragraph (1) prevents the Agency from meeting all of the goals in this subsection (c), the Agency's long-term plan shall

1 prioritize compliance with the requirements of this
2 subsection (c) regarding renewable energy credits in the
3 following order:

4 (i) renewable energy credits under existing
5 contractual obligations;

6 (i-5) funding for the Illinois Solar for All
7 Program, as described in subparagraph (O) of this
8 paragraph (1);

9 (ii) renewable energy credits necessary to comply
10 with the new wind and new photovoltaic procurement
11 requirements described in items (i) through (iii) of
12 subparagraph (C) of this paragraph (1); and

13 (iii) renewable energy credits necessary to meet
14 the remaining requirements of this subsection (c).

15 (G) The following provisions shall apply to the
16 Agency's procurement of renewable energy credits under
17 this subsection (c):

18 (i) Notwithstanding whether a long-term renewable
19 resources procurement plan has been approved, the
20 Agency shall conduct an initial forward procurement
21 for renewable energy credits from new utility-scale
22 wind projects within 160 days after June 1, 2017 (the
23 effective date of Public Act 99-906). For the purposes
24 of this initial forward procurement, the Agency shall
25 solicit 15-year contracts for delivery of 1,000,000
26 renewable energy credits delivered annually from new

1 utility-scale wind projects to begin delivery on June
2 1, 2019, if available, but not later than June 1, 2021.
3 Payments to suppliers of renewable energy credits
4 shall commence upon delivery. Renewable energy credits
5 procured under this initial procurement shall be
6 included in the Agency's long-term plan and shall apply
7 to all renewable energy goals in this subsection (c).

8 (ii) Notwithstanding whether a long-term renewable
9 resources procurement plan has been approved, the
10 Agency shall conduct an initial forward procurement
11 for renewable energy credits from new utility-scale
12 solar projects and brownfield site photovoltaic
13 projects within one year after June 1, 2017 (the
14 effective date of Public Act 99-906). For the purposes
15 of this initial forward procurement, the Agency shall
16 solicit 15-year contracts for delivery of 1,000,000
17 renewable energy credits delivered annually from new
18 utility-scale solar projects and brownfield site
19 photovoltaic projects to begin delivery on June 1,
20 2019, if available, but not later than June 1, 2021.
21 The Agency may structure this initial procurement in
22 one or more discrete procurement events. Payments to
23 suppliers of renewable energy credits shall commence
24 upon delivery. Renewable energy credits procured under
25 this initial procurement shall be included in the
26 Agency's long-term plan and shall apply to all

1 renewable energy goals in this subsection (c).

2 (iii) Subsequent forward procurements for
3 utility-scale wind projects shall solicit at least
4 1,000,000 renewable energy credits delivered annually
5 per procurement event and shall be planned, scheduled,
6 and designed such that the cumulative amount of
7 renewable energy credits delivered from all new wind
8 projects in each delivery year shall not exceed the
9 Agency's projection of the cumulative amount of
10 renewable energy credits that will be delivered from
11 all new photovoltaic projects, including utility-scale
12 and distributed photovoltaic devices, in the same
13 delivery year at the time scheduled for wind contract
14 delivery.

15 (iv) If, at any time after the time set for
16 delivery of renewable energy credits pursuant to the
17 initial procurements in items (i) and (ii) of this
18 subparagraph (G), the cumulative amount of renewable
19 energy credits projected to be delivered from all new
20 wind projects in a given delivery year exceeds the
21 cumulative amount of renewable energy credits
22 projected to be delivered from all new photovoltaic
23 projects in that delivery year by 200,000 or more
24 renewable energy credits, then the Agency shall within
25 60 days adjust the procurement programs in the
26 long-term renewable resources procurement plan to

ensure that the projected cumulative amount of renewable energy credits to be delivered from all new wind projects does not exceed the projected cumulative amount of renewable energy credits to be delivered from all new photovoltaic projects by 200,000 or more renewable energy credits, provided that nothing in this Section shall preclude the projected cumulative amount of renewable energy credits to be delivered from all new photovoltaic projects from exceeding the projected cumulative amount of renewable energy credits to be delivered from all new wind projects in each delivery year and provided further that nothing in this item (iv) shall require the curtailment of an executed contract. The Agency shall update, on a quarterly basis, its projection of the renewable energy credits to be delivered from all projects in each delivery year. Notwithstanding anything to the contrary, the Agency may adjust the timing of procurement events conducted under this subparagraph (G). The long-term renewable resources procurement plan shall set forth the process by which the adjustments may be made.

(v) All procurements under this subparagraph (G) shall comply with the geographic requirements in subparagraph (I) of this paragraph (1) and shall follow the procurement processes and procedures described in

1 this Section and Section 16-111.5 of the Public
2 Utilities Act to the extent practicable, and these
3 processes and procedures may be expedited to
4 accommodate the schedule established by this
5 subparagraph (G).

6 (H) The procurement of renewable energy resources for a
7 given delivery year shall be reduced as described in this
8 subparagraph (H) if an alternative retail electric
9 supplier meets the requirements described in this
10 subparagraph (H).

11 (i) Within 45 days after June 1, 2017 (the
12 effective date of Public Act 99-906), an alternative
13 retail electric supplier or its successor shall submit
14 an informational filing to the Illinois Commerce
15 Commission certifying that, as of December 31, 2015,
16 the alternative retail electric supplier owned one or
17 more electric generating facilities that generates
18 renewable energy resources as defined in Section 1-10
19 of this Act, provided that such facilities are not
20 powered by wind or photovoltaics, and the facilities
21 generate one renewable energy credit for each
22 megawatthour of energy produced from the facility.

23 The informational filing shall identify each
24 facility that was eligible to satisfy the alternative
25 retail electric supplier's obligations under Section
26 16-115D of the Public Utilities Act as described in

1 this item (i).

2 (ii) For a given delivery year, the alternative
3 retail electric supplier may elect to supply its retail
4 customers with renewable energy credits from the
5 facility or facilities described in item (i) of this
6 subparagraph (H) that continue to be owned by the
7 alternative retail electric supplier.

8 (iii) The alternative retail electric supplier
9 shall notify the Agency and the applicable utility, no
10 later than February 28 of the year preceding the
11 applicable delivery year or 15 days after June 1, 2017
12 (the effective date of Public Act 99-906), whichever is
13 later, of its election under item (ii) of this
14 subparagraph (H) to supply renewable energy credits to
15 retail customers of the utility. Such election shall
16 identify the amount of renewable energy credits to be
17 supplied by the alternative retail electric supplier
18 to the utility's retail customers and the source of the
19 renewable energy credits identified in the
20 informational filing as described in item (i) of this
21 subparagraph (H), subject to the following
22 limitations:

23 For the delivery year beginning June 1, 2018,
24 the maximum amount of renewable energy credits to
25 be supplied by an alternative retail electric
26 supplier under this subparagraph (H) shall be 68%

1 multiplied by 25% multiplied by 14.5% multiplied
2 by the amount of metered electricity
3 (megawatt-hours) delivered by the alternative
4 retail electric supplier to Illinois retail
5 customers during the delivery year ending May 31,
6 2016.

7 For delivery years beginning June 1, 2019 and
8 each year thereafter, the maximum amount of
9 renewable energy credits to be supplied by an
10 alternative retail electric supplier under this
11 subparagraph (H) shall be 68% multiplied by 50%
12 multiplied by 16% multiplied by the amount of
13 metered electricity (megawatt-hours) delivered by
14 the alternative retail electric supplier to
15 Illinois retail customers during the delivery year
16 ending May 31, 2016, provided that the 16% value
17 shall increase by 1.5% each delivery year
18 thereafter to 25% by the delivery year beginning
19 June 1, 2025, and thereafter the 25% value shall
20 apply to each delivery year.

21 For each delivery year, the total amount of
22 renewable energy credits supplied by all alternative
23 retail electric suppliers under this subparagraph (H)
24 shall not exceed 9% of the Illinois target renewable
25 energy credit quantity. The Illinois target renewable
26 energy credit quantity for the delivery year beginning

1 June 1, 2018 is 14.5% multiplied by the total amount of
2 metered electricity (megawatt-hours) delivered in the
3 delivery year immediately preceding that delivery
4 year, provided that the 14.5% shall increase by 1.5%
5 each delivery year thereafter to 25% by the delivery
6 year beginning June 1, 2025, and thereafter the 25%
7 value shall apply to each delivery year.

8 If the requirements set forth in items (i) through
9 (iii) of this subparagraph (H) are met, the charges
10 that would otherwise be applicable to the retail
11 customers of the alternative retail electric supplier
12 under paragraph (6) of this subsection (c) for the
13 applicable delivery year shall be reduced by the ratio
14 of the quantity of renewable energy credits supplied by
15 the alternative retail electric supplier compared to
16 that supplier's target renewable energy credit
17 quantity. The supplier's target renewable energy
18 credit quantity for the delivery year beginning June 1,
19 2018 is 14.5% multiplied by the total amount of metered
20 electricity (megawatt-hours) delivered by the
21 alternative retail supplier in that delivery year,
22 provided that the 14.5% shall increase by 1.5% each
23 delivery year thereafter to 25% by the delivery year
24 beginning June 1, 2025, and thereafter the 25% value
25 shall apply to each delivery year.

26 On or before April 1 of each year, the Agency shall

1 annually publish a report on its website that
2 identifies the aggregate amount of renewable energy
3 credits supplied by alternative retail electric
4 suppliers under this subparagraph (H).

5 (I) The Agency shall design its long-term renewable
6 energy procurement plan to maximize the State's interest in
7 the health, safety, and welfare of its residents, including
8 but not limited to minimizing sulfur dioxide, nitrogen
9 oxide, particulate matter and other pollution that
10 adversely affects public health in this State, increasing
11 fuel and resource diversity in this State, enhancing the
12 reliability and resiliency of the electricity distribution
13 system in this State, meeting goals to limit carbon dioxide
14 emissions under federal or State law, and contributing to a
15 cleaner and healthier environment for the citizens of this
16 State. In order to further these legislative purposes,
17 renewable energy credits shall be eligible to be counted
18 toward the renewable energy requirements of this
19 subsection (c) if they are generated from facilities
20 located in this State. The Agency may qualify renewable
21 energy credits from facilities located in states adjacent
22 to Illinois if the generator demonstrates and the Agency
23 determines that the operation of such facility or
24 facilities will help promote the State's interest in the
25 health, safety, and welfare of its residents based on the
26 public interest criteria described above. To ensure that

1 the public interest criteria are applied to the procurement
2 and given full effect, the Agency's long-term procurement
3 plan shall describe in detail how each public interest
4 factor shall be considered and weighted for facilities
5 located in states adjacent to Illinois.

6 (J) In order to promote the competitive development of
7 renewable energy resources in furtherance of the State's
8 interest in the health, safety, and welfare of its
9 residents, renewable energy credits shall not be eligible
10 to be counted toward the renewable energy requirements of
11 this subsection (c) if they are sourced from a generating
12 unit whose costs were being recovered through rates
13 regulated by this State or any other state or states on or
14 after January 1, 2017. Each contract executed to purchase
15 renewable energy credits under this subsection (c) shall
16 provide for the contract's termination if the costs of the
17 generating unit supplying the renewable energy credits
18 subsequently begin to be recovered through rates regulated
19 by this State or any other state or states; and each
20 contract shall further provide that, in that event, the
21 supplier of the credits must return 110% of all payments
22 received under the contract. Amounts returned under the
23 requirements of this subparagraph (J) shall be retained by
24 the utility and all of these amounts shall be used for the
25 procurement of additional renewable energy credits from
26 new wind or new photovoltaic resources as defined in this

1 subsection (c). The long-term plan shall provide that these
2 renewable energy credits shall be procured in the next
3 procurement event.

4 Notwithstanding the limitations of this subparagraph
5 (J), renewable energy credits sourced from generating
6 units that are constructed, purchased, owned, or leased by
7 an electric utility as part of an approved project,
8 program, or pilot under Section 1-56 of this Act shall be
9 eligible to be counted toward the renewable energy
10 requirements of this subsection (c), regardless of how the
11 costs of these units are recovered.

12 (K) The long-term renewable resources procurement plan
13 developed by the Agency in accordance with subparagraph (A)
14 of this paragraph (1) shall include an Adjustable Block
15 program for the procurement of renewable energy credits
16 from new photovoltaic projects that are distributed
17 renewable energy generation devices or new photovoltaic
18 community renewable generation projects. The Adjustable
19 Block program shall be designed to provide a transparent
20 schedule of prices and quantities to enable the
21 photovoltaic market to scale up and for renewable energy
22 credit prices to adjust at a predictable rate over time.
23 The prices set by the Adjustable Block program can be
24 reflected as a set value or as the product of a formula.

25 The Adjustable Block program shall include for each
26 category of eligible projects: a schedule of standard block

1 purchase prices to be offered; a series of steps, with
2 associated nameplate capacity and purchase prices that
3 adjust from step to step; and automatic opening of the next
4 step as soon as the nameplate capacity and available
5 purchase prices for an open step are fully committed or
6 reserved. Only projects energized on or after June 1, 2017
7 shall be eligible for the Adjustable Block program. For
8 each block group the Agency shall determine the number of
9 blocks, the amount of generation capacity in each block,
10 and the purchase price for each block, provided that the
11 purchase price provided and the total amount of generation
12 in all blocks for all block groups shall be sufficient to
13 meet the goals in this subsection (c). The Agency may
14 periodically review its prior decisions establishing the
15 number of blocks, the amount of generation capacity in each
16 block, and the purchase price for each block, and may
17 propose, on an expedited basis, changes to these previously
18 set values, including but not limited to redistributing
19 these amounts and the available funds as necessary and
20 appropriate, subject to Commission approval as part of the
21 periodic plan revision process described in Section
22 16-111.5 of the Public Utilities Act. The Agency may define
23 different block sizes, purchase prices, or other distinct
24 terms and conditions for projects located in different
25 utility service territories if the Agency deems it
26 necessary to meet the goals in this subsection (c).

1 The Adjustable Block program shall include at least the
2 following block groups in at least the following amounts,
3 which may be adjusted upon review by the Agency and
4 approval by the Commission as described in this
5 subparagraph (K):

6 (i) At least 25% from distributed renewable energy
7 generation devices with a nameplate capacity of no more
8 than 10 kilowatts.

9 (ii) At least 25% from distributed renewable
10 energy generation devices with a nameplate capacity of
11 more than 10 kilowatts and no more than 2,000
12 kilowatts. The Agency may create sub-categories within
13 this category to account for the differences between
14 projects for small commercial customers, large
15 commercial customers, and public or non-profit
16 customers.

17 (iii) At least 25% from photovoltaic community
18 renewable generation projects.

19 (iv) The remaining 25% shall be allocated as
20 specified by the Agency in the long-term renewable
21 resources procurement plan.

22 The Adjustable Block program shall be designed to
23 ensure that renewable energy credits are procured from
24 photovoltaic distributed renewable energy generation
25 devices and new photovoltaic community renewable energy
26 generation projects in diverse locations and are not

1 concentrated in a few geographic areas.

2 (L) The procurement of photovoltaic renewable energy
3 credits under items (i) through (iv) of subparagraph (K) of
4 this paragraph (1) shall be subject to the following
5 contract and payment terms:

6 (i) The Agency shall procure contracts of at least
7 15 years in length.

8 (ii) For those renewable energy credits that
9 qualify and are procured under item (i) of subparagraph
10 (K) of this paragraph (1), the renewable energy credit
11 purchase price shall be paid in full by the contracting
12 utilities at the time that the facility producing the
13 renewable energy credits is interconnected at the
14 distribution system level of the utility and
15 energized. The electric utility shall receive and
16 retire all renewable energy credits generated by the
17 project for the first 15 years of operation.

18 (iii) For those renewable energy credits that
19 qualify and are procured under item (ii) and (iii) of
20 subparagraph (K) of this paragraph (1) and any
21 additional categories of distributed generation
22 included in the long-term renewable resources
23 procurement plan and approved by the Commission, 20
24 percent of the renewable energy credit purchase price
25 shall be paid by the contracting utilities at the time
26 that the facility producing the renewable energy

1 credits is interconnected at the distribution system
2 level of the utility and energized. The remaining
3 portion shall be paid ratably over the subsequent
4 4-year period. The electric utility shall receive and
5 retire all renewable energy credits generated by the
6 project for the first 15 years of operation.

7 (iv) Each contract shall include provisions to
8 ensure the delivery of the renewable energy credits for
9 the full term of the contract.

10 (v) The utility shall be the counterparty to the
11 contracts executed under this subparagraph (L) that
12 are approved by the Commission under the process
13 described in Section 16-111.5 of the Public Utilities
14 Act. No contract shall be executed for an amount that
15 is less than one renewable energy credit per year.

16 (vi) If, at any time, approved applications for the
17 Adjustable Block program exceed funds collected by the
18 electric utility or would cause the Agency to exceed
19 the limitation described in subparagraph (E) of this
20 paragraph (1) on the amount of renewable energy
21 resources that may be procured, then the Agency shall
22 consider future uncommitted funds to be reserved for
23 these contracts on a first-come, first-served basis,
24 with the delivery of renewable energy credits required
25 beginning at the time that the reserved funds become
26 available.

(vii) Nothing in this Section shall require the utility to advance any payment or pay any amounts that exceed the actual amount of revenues collected by the utility under paragraph (6) of this subsection (c) and subsection (k) of Section 16-108 of the Public Utilities Act, and contracts executed under this Section shall expressly incorporate this limitation.

(M) The Agency shall be authorized to retain one or more experts or expert consulting firms to develop, administer, implement, operate, and evaluate the Adjustable Block program described in subparagraph (K) of this paragraph (1), and the Agency shall retain the consultant or consultants in the same manner, to the extent practicable, as the Agency retains others to administer provisions of this Act, including, but not limited to, the procurement administrator. The selection of experts and expert consulting firms and the procurement process described in this subparagraph (M) are exempt from the requirements of Section 20-10 of the Illinois Procurement Code, under Section 20-10 of that Code. The Agency shall strive to minimize administrative expenses in the implementation of the Adjustable Block program.

The Agency and its consultant or consultants shall monitor block activity, share program activity with stakeholders and conduct regularly scheduled meetings to discuss program activity and market conditions. If

1 necessary, the Agency may make prospective administrative
2 adjustments to the Adjustable Block program design, such as
3 redistributing available funds or making adjustments to
4 purchase prices as necessary to achieve the goals of this
5 subsection (c). Program modifications to any price,
6 capacity block, or other program element that do not
7 deviate from the Commission's approved value by more than
8 25% shall take effect immediately and are not subject to
9 Commission review and approval. Program modifications to
10 any price, capacity block, or other program element that
11 deviate more than 25% from the Commission's approved value
12 must be approved by the Commission as a long-term plan
13 amendment under Section 16-111.5 of the Public Utilities
14 Act. The Agency shall consider stakeholder feedback when
15 making adjustments to the Adjustable Block design and shall
16 notify stakeholders in advance of any planned changes.

17 (N) The long-term renewable resources procurement plan
18 required by this subsection (c) shall include a community
19 renewable generation program. The Agency shall establish
20 the terms, conditions, and program requirements for
21 community renewable generation projects with a goal to
22 expand renewable energy generating facility access to a
23 broader group of energy consumers, to ensure robust
24 participation opportunities for residential and small
25 commercial customers and those who cannot install
26 renewable energy on their own properties. Any plan approved

1 by the Commission shall allow subscriptions to community
2 renewable generation projects to be portable and
3 transferable. For purposes of this subparagraph (N),
4 "portable" means that subscriptions may be retained by the
5 subscriber even if the subscriber relocates or changes its
6 address within the same utility service territory; and
7 "transferable" means that a subscriber may assign or sell
8 subscriptions to another person within the same utility
9 service territory.

10 Electric utilities shall provide a monetary credit to a
11 subscriber's subsequent bill for service for the
12 proportional output of a community renewable generation
13 project attributable to that subscriber as specified in
14 Section 16-107.5 of the Public Utilities Act.

15 The Agency shall purchase renewable energy credits
16 from subscribed shares of photovoltaic community renewable
17 generation projects through the Adjustable Block program
18 described in subparagraph (K) of this paragraph (1) or
19 through the Illinois Solar for All Program described in
20 Section 1-56 of this Act. The electric utility shall
21 purchase any unsubscribed energy from community renewable
22 generation projects that are Qualifying Facilities ("QF")
23 under the electric utility's tariff for purchasing the
24 output from QFs under Public Utilities Regulatory Policies
25 Act of 1978.

26 The owners of and any subscribers to a community

1 renewable generation project shall not be considered
2 public utilities or alternative retail electricity
3 suppliers under the Public Utilities Act solely as a result
4 of their interest in or subscription to a community
5 renewable generation project and shall not be required to
6 become an alternative retail electric supplier by
7 participating in a community renewable generation project
8 with a public utility.

9 (O) For the delivery year beginning June 1, 2018, the
10 long-term renewable resources procurement plan required by
11 this subsection (c) shall provide for the Agency to procure
12 contracts to continue offering the Illinois Solar for All
13 Program described in subsection (b) of Section 1-56 of this
14 Act, and the contracts approved by the Commission shall be
15 executed by the utilities that are subject to this
16 subsection (c). The long-term renewable resources
17 procurement plan shall allocate 5% of the funds available
18 under the plan for the applicable delivery year, or
19 \$10,000,000 per delivery year, whichever is greater, to
20 fund the programs, and the plan shall determine the amount
21 of funding to be apportioned to the programs identified in
22 subsection (b) of Section 1-56 of this Act; provided that
23 for the delivery years beginning June 1, 2017, June 1,
24 2021, and June 1, 2025, the long-term renewable resources
25 procurement plan shall allocate 10% of the funds available
26 under the plan for the applicable delivery year, or

1 \$20,000,000 per delivery year, whichever is greater, and
2 \$10,000,000 of such funds in such year shall be used by an
3 electric utility that serves more than 3,000,000 retail
4 customers in the State to implement a Commission-approved
5 plan under Section 16-108.12 of the Public Utilities Act.
6 In making the determinations required under this
7 subparagraph (O), the Commission shall consider the
8 experience and performance under the programs and any
9 evaluation reports. The Commission shall also provide for
10 an independent evaluation of those programs on a periodic
11 basis that are funded under this subparagraph (O).

12 (2) (Blank).

13 (3) (Blank).

14 (4) The electric utility shall retire all renewable
15 energy credits used to comply with the standard.

16 (5) Beginning with the 2010 delivery year and ending
17 June 1, 2017, an electric utility subject to this
18 subsection (c) shall apply the lesser of the maximum
19 alternative compliance payment rate or the most recent
20 estimated alternative compliance payment rate for its
21 service territory for the corresponding compliance period,
22 established pursuant to subsection (d) of Section 16-115D
23 of the Public Utilities Act to its retail customers that
24 take service pursuant to the electric utility's hourly
25 pricing tariff or tariffs. The electric utility shall
26 retain all amounts collected as a result of the application

1 of the alternative compliance payment rate or rates to such
2 customers, and, beginning in 2011, the utility shall
3 include in the information provided under item (1) of
4 subsection (d) of Section 16-111.5 of the Public Utilities
5 Act the amounts collected under the alternative compliance
6 payment rate or rates for the prior year ending May 31.
7 Notwithstanding any limitation on the procurement of
8 renewable energy resources imposed by item (2) of this
9 subsection (c), the Agency shall increase its spending on
10 the purchase of renewable energy resources to be procured
11 by the electric utility for the next plan year by an amount
12 equal to the amounts collected by the utility under the
13 alternative compliance payment rate or rates in the prior
14 year ending May 31.

15 (6) The electric utility shall be entitled to recover
16 all of its costs associated with the procurement of
17 renewable energy credits under plans approved under this
18 Section and Section 16-111.5 of the Public Utilities Act.
19 These costs shall include associated reasonable expenses
20 for implementing the procurement programs, including, but
21 not limited to, the costs of administering and evaluating
22 the Adjustable Block program, through an automatic
23 adjustment clause tariff in accordance with subsection (k)
24 of Section 16-108 of the Public Utilities Act.

25 (7) Renewable energy credits procured from new
26 photovoltaic projects or new distributed renewable energy

1 generation devices under this Section after June 1, 2017
2 (the effective date of Public Act 99-906) must be procured
3 from devices installed by a qualified person in compliance
4 with the requirements of Section 16-128A of the Public
5 Utilities Act and any rules or regulations adopted
6 thereunder.

7 In meeting the renewable energy requirements of this
8 subsection (c), to the extent feasible and consistent with
9 State and federal law, the renewable energy credit
10 procurements, Adjustable Block solar program, and
11 community renewable generation program shall provide
12 employment opportunities for all segments of the
13 population and workforce, including minority-owned and
14 female-owned business enterprises, and shall not,
15 consistent with State and federal law, discriminate based
16 on race or socioeconomic status.

17 (c-5) Procurement of renewable energy credits from new
18 renewable energy resources installed at the sites of electric
19 generating facilities that burn coal as their primary fuel
20 source.

21 (1) In addition to the procurement of renewable energy
22 credits pursuant to long-term renewable resources
23 procurement plans in accordance with subsection (c) of this
24 Section and Section 16-111.5 of the Public Utilities Act,
25 the Agency shall conduct a procurement event in accordance
26 with this subsection (c-5) for the procurement, by electric

1 utilities serving more than 300,000 retail customers in
2 this State as of January 1, 2019, of renewable energy
3 credits from new renewable energy resources to be installed
4 at the sites of electric generating facilities that, as of
5 January 1, 2019, burned coal as their primary fuel source.
6 The renewable energy credits procured pursuant to this
7 subsection (c-5) shall not be included or counted for
8 purposes of compliance with the amounts of renewable energy
9 credits required to be procured pursuant to subsection (c)
10 of this Section. The procurement of renewable energy
11 credits by electric utilities pursuant to this subsection
12 (c-5) shall be funded solely by revenues collected from the
13 Coal to Solar Energy Storage Initiative Charge provided for
14 in this subsection (c-5) and subsection (i-5) of Section
15 16-108 of the Public Utilities Act and shall not be funded
16 by revenues collected through any of the other funding
17 mechanisms provided for in subsection (c) of this Section.

18 (2) No later than September 30, 2019, the Agency shall
19 conduct a procurement event to select owners of electric
20 generating facilities meeting the eligibility criteria
21 specified in this subsection (c-5) to enter into long-term
22 contracts to sell renewable energy credits to electric
23 utilities serving more than 300,000 retail customers in
24 this State. The Agency shall establish and announce a time
25 period, which shall begin no later than 30 days prior to
26 the scheduled date for the procurement event, during which

1 applicants may submit applications to be selected as
2 suppliers of renewable energy credits pursuant to this
3 subsection (c-5). The eligibility criteria for selection
4 as a supplier of renewable energy credits pursuant to this
5 subsection (c-5) shall be as follows:

6 (A) The applicant owns and operates an electric
7 generating facility located in this State and south of
8 federal Interstate Highway 80 that (i) as of January 1,
9 2019, burned coal as its primary fuel to generate
10 electricity and (ii) has an electric generating
11 capacity of at least 150 megawatts.

12 (B) The applicant is not (i) a public utility as
13 defined in Section 3-105 of the Public Utilities Act,
14 (ii) an electric cooperative as defined in Section
15 3-119 of the Public Utilities Act, or (iii) an entity
16 described in subsection (b) (1) of Section 3-105 of the
17 Public Utilities Act, or an association or consortium
18 of or an entity owned by entities described in (ii) or
19 (iii).

20 (C) The applicant proposes and commits to
21 construct and operate, at the site, or on property
22 immediately adjacent to the existing property, of the
23 electric generating facility identified in paragraph
24 (A), (i) a new renewable energy resource of at least 20
25 megawatts but no more than 100 megawatts of electric
26 generating capacity, and (ii) an energy storage

1 facility to be operated in conjunction with the new
2 renewable energy resource and having a storage
3 capacity in megawatthours equal to or greater than the
4 product of the electric generating capacity of the new
5 renewable energy resource in megawatts times 0.5.

6 (D) The applicant and its ultimate parent company
7 commit that by the year ended December 31, 2030,
8 aggregate annual carbon dioxide emissions from the
9 electric generating facilities that the applicant and
10 its corporate affiliates owned in this State on January
11 1, 2019, including electric generating facilities
12 retired or otherwise taken out of operation between
13 January 1, 2006 and December 31, 2018, but still owned
14 by the applicant or a corporate affiliate on January 1,
15 2019, will be reduced by at least 75% from the
16 aggregate annual carbon dioxide emissions of those
17 electric generating facilities for the year ended
18 December 31, 2005.

19 (E) The applicant agrees that (i) the new renewable
20 energy resource and the energy storage facility will be
21 constructed or installed by a qualified person or
22 persons in compliance with the requirements of
23 subsection (g) of Section 16-128A of the Public
24 Utilities Act and any rules or regulations adopted
25 thereunder, and (ii) the personnel operating the new
26 renewable energy resource and the energy storage

1 facility will have the requisite skills, knowledge,
2 training, experience, and competence consistent with
3 subsection (a) of Section 16-128 of the Public
4 Utilities Act, including through training and
5 education courses and opportunities offered by the
6 applicant to employees of the coal-fueled generating
7 facilities being retired.

8 (F) The applicant and its ultimate parent company,
9 if any, commits that no earlier than January 1, 2025,
10 and no later than December 31, 2030, the applicant or a
11 company owned by the same parent company as the
12 applicant will permanently retire electric generating
13 facilities located in this State that burn coal as
14 their primary fuel source and have, in the aggregate,
15 electric generating capacity, in megawatts, equal to
16 at least 5 times the electric generating capacity, in
17 megawatts, of the new renewable energy resource to be
18 constructed in accordance with paragraph (C). The
19 applicant may include in the amount of capacity of
20 coal-fueled electric generating facilities required to
21 be retired coal-fueled electric generating facilities
22 in Illinois that the applicant or a company owned by
23 the same ultimate parent company commits or elects to
24 retire prior to January 1, 2025, as required by, as a
25 result of, or in connection with the adoption of a new
26 or amended regulation of the Illinois Environmental

1 Protection Agency pertaining to the Multipollutant
2 Settlement Rule in Illinois Pollution Control Board
3 Docket no. R18-20 or an order of the Illinois Pollution
4 Control Board adopting or approving such regulation.
5 If a coal-fueled electric generating facility that is
6 designated pursuant to this paragraph for retirement
7 no earlier than January 1, 2025 is required, prior to
8 January 1, 2025, either (i) to make capital
9 expenditures of at least \$10,000,000 in order to remain
10 in or attain compliance with any environmental law or
11 regulation, or (ii) to make capital expenditures for
12 purposes other than environmental compliance of at
13 least \$10,000,000 that were neither known or
14 reasonably foreseeable as of September 1, 2019, then
15 such coal-fueled electric generating facility may be
16 retired by December 31 of the year prior to the year in
17 which such capital expenditures must be incurred.

18 (G) The applicant commits to enter into a contract
19 or contracts of 15 years duration to provide renewable
20 energy credits to electric utilities serving more than
21 300,000 retail customers in this State as of January 1,
22 2019, at a price of \$35 per renewable energy credit,
23 with the amount of renewable energy credits to be
24 supplied during each year of the contract term to be
25 equal to or greater than the product of the electric
26 generating capacity of the new renewable energy

1 resource in megawatts times 8,760 hours times 0.22.

2 (H) The applicant's application is certified by
3 the President or Chief Executive Officer of the
4 applicant and by the President or Chief Executive
5 Officer of the applicant's ultimate parent company, if
6 any.

7 (3) An applicant may submit applications to contract to
8 supply renewable energy credits from more than one new
9 renewable energy resource to be constructed at more than
10 one qualifying electric generating facility site owned by
11 the applicant. The Agency may select new renewable energy
12 resources to be located at the sites of more than one
13 qualifying electric generating facility owned by an
14 applicant to contract with electric utilities to supply
15 renewable energy credits from such facilities.

16 (4) The Agency shall assess fees to each applicant to
17 recover the Agency's costs incurred in receiving and
18 evaluating applications, conducting the procurement event,
19 developing contracts for sale, delivery and purchase of
20 renewable energy credits, and monitoring the
21 administration of such contracts, as provided for in this
22 subsection (c-5), including fees paid to a procurement
23 administrator retained by the Agency for one or more of
24 these purposes.

25 (5) The Agency shall select the applicants and the new
26 renewable energy resources to contract with electric

1 utilities to supply renewable energy credits in accordance
2 with this subsection (c-5). The Agency shall select
3 applicants and new renewable energy resources to supply
4 renewable energy credits aggregating to no less than
5 800,000 renewable energy credits per year for 15 years,
6 assuming sufficient qualifying applications to supply at
7 least that amount of renewable energy credits per year; and
8 no more than 1,000,000 renewable energy credits per year
9 for 15 years. The obligation to purchase renewable energy
10 credits from the applicants and their new renewable energy
11 resources selected by the Agency shall be allocated to
12 electric utilities as follows: (i) electric utilities
13 serving more than 1,000,000 retail customers in this State
14 shall be required to contract to purchase 70%, and electric
15 utilities serving more than 300,000 but less than 1,000,000
16 retail customers in this State shall be required to
17 contract to purchase 30 %, of the renewable energy credits
18 from the applicants and the new renewable energy resources
19 selected by the Agency. In order to achieve these
20 allocation percentages between or among the electric
21 utilities, the Agency may require an applicant to enter
22 into contracts with more than one electric utility for the
23 sale and purchase of renewable energy credits from a new
24 renewable energy resource to be constructed and operated by
25 the applicant, with the sale and purchase obligations under
26 the contracts to aggregate to the total number of renewable

1 energy credits per year to be supplied by the applicant
2 from such new renewable energy resource. The Agency shall
3 submit its proposed selection of applicants, new renewable
4 energy resources to be constructed, and renewable energy
5 credit amounts, to the Commission for approval. The
6 Commission shall, within 2 business days after receipt of
7 the Agency's proposed selections, approve the proposed
8 selections if it determines that the applicants and the new
9 renewable energy resources to be constructed meet the
10 selection criteria set forth in this subsection (c-5) and
11 that the Agency proposes to select applicants for contracts
12 aggregating to no more than 1,000,000 renewable energy
13 credits per year for 15 years.

14 (6) The Agency, in conjunction with its procurement
15 administrator if one is retained and the electric
16 utilities, shall develop a standard form contract for the
17 sale, delivery and purchase of renewable energy credits
18 pursuant to this subsection (c-5). The contracts shall
19 provide for commercial operation dates for the new
20 renewable energy resources such that (i) the new renewable
21 energy resources from which approximately 50% of the
22 renewable energy credits are contracted will be required to
23 achieve commercial operation on or about December 31, 2021,
24 and will receive payments for renewable energy credits for
25 the 15-year period beginning January 1, 2022, and (ii) the
26 new renewable energy resources from which the remainder of

the renewable energy credits are contracted will be required to achieve commercial operation on or about December 31, 2022, and will receive payments for renewable energy credits for the 15-year period beginning January 1, 2023. The form contract shall be, to the maximum extent possible, consistent with standard electric industry contracts for sale, delivery, and purchase of renewable energy credits while taking into account the specific requirements of this subsection (c-5). The contract shall include penalty, default, and enforcement provisions for failure of the selling party to deliver renewable energy credits in the amounts specified in the contract and to comply with the requirements of this subsection (c-5). The standard form contract shall specify that all renewable energy credits delivered to the electric utility pursuant to the contract shall be retired. The Agency shall make the proposed contracts available for a reasonable period for comment by potential applicants, and shall publish the final form contract at least 30 days before the date of the procurement event.

(7) Coal to Solar Energy Storage Initiative Charge.

(A) Within 30 days following the effective date of this amendatory Act of the 101st General Assembly, each electric utility serving more than 300,000 retail customers in this State as of January 1, 2019, shall file a tariff for the billing and collection of a Coal

1 to Solar Energy Storage Initiative Charge in
2 accordance with subsection (i-5) of Section 16-108 of
3 the Public Utilities Act. The electric utility's
4 tariff shall provide for the billing and collection of
5 a Coal to Solar Energy Storage Initiative Charge on
6 each kilowatthour of electricity delivered to its
7 delivery services customers within its service
8 territory of (i) 0.1333 cents per kilowatthour from the
9 effective date of the tariff through December 31, 2024,
10 and (ii) 0.03 cents per kilowatthour from January 1,
11 2025 through December 31 of the year in which the last
12 renewable energy credit sale and purchase contract
13 entered into pursuant to this subsection (c-5)
14 terminates.

15 (B) Each electric utility shall remit, on a monthly
16 basis, the following percent of its collections of the
17 Coal to Solar Energy Storage Initiative Charge to the
18 Agency for deposit in the Coal to Solar and Energy
19 Storage Incentive and Plant Transition Fund provided
20 for in this subsection (c-5): (i) from September 1,
21 2019, through December 31, 2021, 100%; (ii) from
22 January 1 through December 31, 2022, 88.75%; and (iii)
23 from January 1, 2023 through December 31, 2024, 77.5%;
24 provided, that the electric utilities' deposits into
25 the Coal to Solar and Energy Storage Incentive and
26 Plant Transition Fund for the last 3 calendar months of

1 each of the years 2022, 2023, and 2024 shall be
2 adjusted so that the aggregate deposits by the electric
3 utilities for the year 2022 into the Coal to Solar and
4 Energy Storage Incentive and Plant Transition Fund
5 constitute all collections of the Coal to Solar Energy
6 Storage Initiative Charge in excess of \$18,000,000 and
7 that the aggregate deposits by the electric utilities
8 for the years 2023 and 2024 into the Coal to Solar and
9 Energy Storage Incentive and Plant Transition Fund
10 constitute all collections of the Coal to Solar Energy
11 Storage Initiative Charge in excess of \$36,000,000 in
12 each year. All other collections of the Coal to Solar
13 Energy Storage Initiative Charge shall be held in
14 reserves by the electric utility until deliveries
15 begin of renewable energy credits pursuant to
16 contracts entered into in accordance with this
17 subsection (c-5), and thereafter such reserves and
18 collections shall be used by the electric utility to
19 pay for renewable energy credits delivered pursuant to
20 such contracts. Provided, that if as of May 31 of any
21 year beginning May 31, 2025, an electric utility holds,
22 after taking into account payments projected to be due
23 for renewable energy credits delivered pursuant to
24 such contracts through May 31 of such year, Coal to
25 Solar Energy Storage Initiative Charge collections
26 greater than 10% of its projected payment obligations

1 under the renewable energy contracts for the next
2 delivery year, the electric utility shall refund
3 one-half of such excess collections to its delivery
4 services customers on a uniform cents per kilowatthour
5 basis over a 6-month period, in accordance with a
6 procedure specified in its Coal to Solar Energy Storage
7 Initiative Charge tariff.

8 (8) Coal to Solar and Energy Storage Incentive and
9 Plant Transition Fund.

10 (A) The Coal to Solar and Energy Storage Incentive
11 and Plant Transition Fund is established as a special
12 fund in the State treasury. The Coal to Solar and
13 Energy Storage Incentive and Plant Transition Fund is
14 authorized to receive, by statutory deposit, that
15 portion specified in paragraph (7)(B) of this
16 subsection (c-5) of moneys collected by electric
17 utilities through imposition of the Coal to Solar
18 Energy Storage Initiative Charge required by this
19 subsection (c-5). The Coal to Solar and Energy Storage
20 Incentive and Plant Transition Fund shall be
21 administered by the Agency to provide transitional
22 support funding to coal-fueled electric generating
23 facilities in this State owned by an applicant, or by a
24 company with a common parent company as an applicant,
25 that has been selected by the Agency to enter into a
26 contract or contracts to sell renewable energy credits

1 from a new renewable energy resource to an electric
2 utility in accordance with this subsection (c-5).

3 (B) The objective of the transitional support
4 funding provided for in this paragraph (8) is to assist
5 and enable qualifying electric generating facilities
6 in this State to remain in operation during the period
7 from the effective date of this amendatory Act of the
8 101st General Assembly through December 31, 2024, in
9 order to ensure that adequate electric generating
10 resources are available in this State through that
11 date, while the State's portfolio of renewable energy
12 resources is being expanded.

13 (C) The Coal to Solar and Energy Storage Incentive
14 and Plant Transition Fund shall not be subject to
15 sweeps, administrative charges, or chargebacks,
16 including, but not limited to, those authorized under
17 Section 8h of the State Finance Act, that would in any
18 way result in the transfer of those funds from the Coal
19 to Solar and Energy Storage Incentive and Plant
20 Transition Fund to any other fund of this State or in
21 having any such funds utilized for any purpose other
22 than the express purposes set forth in this paragraph
23 (8) of subsection (c-5).

24 (D) The Agency shall provide grants of
25 transitional support funding from the Coal to Solar and
26 Energy Storage Incentive and Plant Transition Fund to

1 owners of qualifying electric generating facilities in
2 this State that meet the criteria specified in this
3 paragraph (8) of subsection (c-5), for the period
4 January 1, 2020 through December 31, 2024, in aggregate
5 amounts not exceeding \$140 million in each calendar
6 year in such period. The amount of transitional support
7 funding granted to the owner of a qualifying electric
8 generating facility for a calendar year shall be equal
9 to the product of \$150 times the megawatts of electric
10 generating capacity of the qualifying electric
11 generating facility times 365; provided, that the
12 owner may request that a lower number of megawatts than
13 the full rated generating capacity of an electric
14 generating facility be used to calculate the amount of
15 transitional support funding provided to that electric
16 generating facility. The grant amounts shall be paid to
17 the recipients on a quarterly basis with payments to be
18 made on May 31, August 31, November 30, and February 28
19 for the immediately preceding calendar quarter. No
20 grant payments for transitional support funding shall
21 be made to the owner of a qualifying electric
22 generating facility in respect of any period
23 subsequent to the retirement date of the electric
24 generating facility.

25 (E) The qualifications for a grant of transitional
26 support funding from the Coal to Solar and Energy

1 Storage Incentive and Plant Transition Fund for an
2 electric generating facility are as follows: (i) the
3 electric generating facility is located in this State
4 south of federal Interstate Highway 80; (ii) the
5 electric generating facility has an electric
6 generating capacity of at least 150 megawatts; (iii)
7 the electric generating facility burned coal as its
8 primary source of fuel as of January 1, 2019; (iv) the
9 electric generating facility is owned by an applicant
10 that has been selected by the Agency to contract with
11 an electric utility to deliver renewable energy
12 credits from a new renewable energy resource to be
13 constructed at an existing electric generating
14 facility owned by the applicant, or is owned by a
15 company that has a common parent company with such an
16 applicant and has been designated by the applicant to
17 the Agency as a candidate to receive a grant of
18 transitional support funding; (v) the owner of the
19 electric generating facility commits, as a condition
20 to receiving the grant of transitional support
21 funding, to maintain the electric generating facility
22 in operation until at least December 31, 2024 and to
23 permanently retire the electric generating facility by
24 no later than December 31, 2030. The applicant may
25 include in the amount of capacity of coal-fueled
26 electric generating facilities required to be retired

1 coal-fueled electric generating facilities in Illinois
2 that the applicant or a company owned by the same
3 ultimate parent company commits or elects to retire
4 prior to January 1, 2025, as required by, as a result
5 of, or in connection with the adoption of a new or
6 amended regulation of the Illinois Environmental
7 Protection Agency pertaining to the Multipollutant
8 Settlement Rule in Illinois Pollution Control Board
9 Docket no. R18-20 or an order of the Illinois Pollution
10 Control Board adopting or approving such regulation.
11 If a coal-fueled electric generating facility that is
12 designated pursuant to this paragraph for retirement
13 no earlier than January 1, 2025 is required, prior to
14 January 1, 2025, either (A) to make capital
15 expenditures of at least \$10,000,000 in order to remain
16 in or attain compliance with any environmental law or
17 regulation, or (B) to make capital expenditures for
18 purposes other than environmental compliance of at
19 least \$10,000,000 that were neither known or
20 reasonably foreseeable as of September 1, 2019, then
21 such coal-fueled electric generating facility may be
22 retired by December 31 of the year prior to the year in
23 which such capital expenditures must be incurred, and
24 the owner of the retired coal-fueled electric
25 generating facility shall receive no further grant
26 payments of transitional support funding in respect of

1 that facility for periods after its retirement date.

2 (F) An owner may receive a grant of transitional
3 support funding from the Coal to Solar and Energy
4 Storage Incentive and Plant Transition Fund for more
5 than one qualifying electric generating facility.

6 (G) The Agency shall establish a schedule for
7 receiving and evaluating applications for grants of
8 transitional support funding from the Coal to Solar and
9 Energy Storage Incentive and Plant Transition Fund.
10 The schedule shall be consistent with the schedule for
11 receiving and evaluating applications to be selected
12 to enter into contracts to sell renewable energy
13 credits from new renewable energy resources in
14 accordance with this subsection (c-5). The Agency
15 shall announce the qualifying electric generating
16 facilities that will receive grants of transitional
17 funding support from the Coal to Solar and Energy
18 Storage Incentive and Plant Transition Fund no later
19 than November 1, 2019.

20 (H) In addition to the grants for transitional
21 support funding provided for in this paragraph (8), the
22 Agency shall set aside and utilize up to \$66,000,000 in
23 the Coal to Solar and Energy Storage Incentive and
24 Plant Transition Fund for grants, assuming sufficient
25 qualifying applicants, to support installation of
26 energy storage facilities at the sites of up to 3

1 electric generating facilities in Illinois located
2 south of federal Interstate Highway 80 that burned coal
3 as their primary sources of fuel as of January 1, 2019,
4 and which the owner commits to retire by December 31,
5 2030, but at which the installation of a new renewable
6 energy resource is not planned. A qualifying energy
7 storage facility must be a 4-hour energy storage
8 facility with a capacity of no less than 40
9 megawatthours and no more than 80 megawatthours. The
10 owner must commit to place the energy storage facility
11 into commercial operation by no later than January 1,
12 2024. The owner must also agree that (i) the new energy
13 storage facility will be constructed or installed by a
14 qualified person or persons in compliance with the
15 requirements of subsection (g) of Section 16-128A of
16 the Public Utilities Act and any rules or regulations
17 adopted thereunder, and (ii) the personnel operating
18 the energy storage facility will have the requisite
19 skills, knowledge, training, experience, and
20 competence consistent with subsection (a) of Section
21 16-128 of the Public Utilities Act, including through
22 training and education courses and opportunities
23 offered by the owner to employees of the coal-fueled
24 generating facility being retired. The Agency shall
25 accept applications for this grant program until
26 December 31, 2021, and shall announce the award of

1 grants no later than March 31, 2022. The Agency shall
2 make the grant payments in equal annual amounts for 10
3 years beginning on the commercial operation date of the
4 energy storage facility. The annual grant payments to a
5 qualifying energy storage facility shall be no less
6 than \$1,100,000 per year for a 4-hour, 40 megawatthour
7 energy storage facility and no more than \$2,200,000 per
8 year for a 4-hour, 80 megawatthour energy storage
9 facility. Any uncommitted portion of the amount of
10 funding set aside by the Agency for grants to support
11 installation of energy storage facilities pursuant to
12 this subparagraph (H) shall be utilized for grants of
13
14 paragraph (8).

15 (I) Grants of transitional support funding, and of
16 funding for energy storage facilities pursuant to
17 subparagraph (H) of this paragraph (8), from the Coal
18 to Solar and Energy Storage Incentive and Plant
19 Transition Fund shall be memorialized in grant
20 contracts between the Agency and the recipient.

21 (J) During the year ending December 31, 2025, any
22 amounts remaining in the Coal to Solar and Energy
23 Storage Incentive and Plant Transition Fund that are
24 not needed to fund contracted grant payments to support
25 new energy storage facilities pursuant to subparagraph
26 (H) of this paragraph (8) shall be returned by the

1 Agency to the electric utilities, in the same
2 proportion as the electric utilities' original
3 deposits into the Coal to Solar and Energy Storage
4 Incentive and Plant Transition Fund. Each electric
5 utility shall refund any such amounts it receives to
6 its delivery services customers on a uniform cents per
7 kilowatthour basis over a 6-month period in accordance
8 with procedures specified in the electric utility's
9 tariff for billing and collection of the Coal to Solar
10 Energy Storage Initiative Charge.

11 (d) Clean coal portfolio standard.

12 (1) The procurement plans shall include electricity
13 generated using clean coal. Each utility shall enter into
14 one or more sourcing agreements with the initial clean coal
15 facility, as provided in paragraph (3) of this subsection
16 (d), covering electricity generated by the initial clean
17 coal facility representing at least 5% of each utility's
18 total supply to serve the load of eligible retail customers
19 in 2015 and each year thereafter, as described in paragraph
20 (3) of this subsection (d), subject to the limits specified
21 in paragraph (2) of this subsection (d). It is the goal of
22 the State that by January 1, 2025, 25% of the electricity
23 used in the State shall be generated by cost-effective
24 clean coal facilities. For purposes of this subsection (d),
25 "cost-effective" means that the expenditures pursuant to
26 such sourcing agreements do not cause the limit stated in

1 paragraph (2) of this subsection (d) to be exceeded and do
2 not exceed cost-based benchmarks, which shall be developed
3 to assess all expenditures pursuant to such sourcing
4 agreements covering electricity generated by clean coal
5 facilities, other than the initial clean coal facility, by
6 the procurement administrator, in consultation with the
7 Commission staff, Agency staff, and the procurement
8 monitor and shall be subject to Commission review and
9 approval.

10 A utility party to a sourcing agreement shall
11 immediately retire any emission credits that it receives in
12 connection with the electricity covered by such agreement.

13 Utilities shall maintain adequate records documenting
14 the purchases under the sourcing agreement to comply with
15 this subsection (d) and shall file an accounting with the
16 load forecast that must be filed with the Agency by July 15
17 of each year, in accordance with subsection (d) of Section
18 16-111.5 of the Public Utilities Act.

19 A utility shall be deemed to have complied with the
20 clean coal portfolio standard specified in this subsection
21 (d) if the utility enters into a sourcing agreement as
22 required by this subsection (d).

23 (2) For purposes of this subsection (d), the required
24 execution of sourcing agreements with the initial clean
25 coal facility for a particular year shall be measured as a
26 percentage of the actual amount of electricity

(megawatt-hours) supplied by the electric utility to eligible retail customers in the planning year ending immediately prior to the agreement's execution. For purposes of this subsection (d), the amount paid per kilowatthour means the total amount paid for electric service expressed on a per kilowatthour basis. For purposes of this subsection (d), the total amount paid for electric service includes without limitation amounts paid for supply, transmission, distribution, surcharges and add-on taxes.

Notwithstanding the requirements of this subsection (d), the total amount paid under sourcing agreements with clean coal facilities pursuant to the procurement plan for any given year shall be reduced by an amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to:

(A) in 2010, no more than 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(B) in 2011, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2010 or 1% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(C) in 2012, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2011 or 1.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009;

(D) in 2013, the greater of an additional 0.5% of the amount paid per kilowatthour by those customers during the year ending May 31, 2012 or 2% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009; and

(E) thereafter, the total amount paid under sourcing agreements with clean coal facilities pursuant to the procurement plan for any single year shall be reduced by an amount necessary to limit the estimated average net increase due to the cost of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than the greater of (i) 2.015% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009 or (ii) the incremental amount per kilowatthour paid for these resources in 2013, in each of cases (i) and (ii) reduced (A) during the period from September 1, 2019 through December 31, 2024 by 0.1333 cents per kilowatthour and (B) during the period from January 1, 2025 through the termination of all of the renewable energy credit procurement

1 contracts entered into pursuant to subsection (c-5) of
2 this Section, by 0.03 cents per kilowatthour. These
3 requirements may be altered only as provided by
4 statute.

5 No later than June 30, 2015, the Commission shall
6 review the limitation on the total amount paid under
7 sourcing agreements, if any, with clean coal facilities
8 pursuant to this subsection (d) and report to the General
9 Assembly its findings as to whether that limitation unduly
10 constrains the amount of electricity generated by
11 cost-effective clean coal facilities that is covered by
12 sourcing agreements.

13 (3) Initial clean coal facility. In order to promote
14 development of clean coal facilities in Illinois, each
15 electric utility subject to this Section shall execute a
16 sourcing agreement to source electricity from a proposed
17 clean coal facility in Illinois (the "initial clean coal
18 facility") that will have a nameplate capacity of at least
19 500 MW when commercial operation commences, that has a
20 final Clean Air Act permit on June 1, 2009 (the effective
21 date of Public Act 95-1027), and that will meet the
22 definition of clean coal facility in Section 1-10 of this
23 Act when commercial operation commences. The sourcing
24 agreements with this initial clean coal facility shall be
25 subject to both approval of the initial clean coal facility
26 by the General Assembly and satisfaction of the

1 requirements of paragraph (4) of this subsection (d) and
2 shall be executed within 90 days after any such approval by
3 the General Assembly. The Agency and the Commission shall
4 have authority to inspect all books and records associated
5 with the initial clean coal facility during the term of
6 such a sourcing agreement. A utility's sourcing agreement
7 for electricity produced by the initial clean coal facility
8 shall include:

9 (A) a formula contractual price (the "contract
10 price") approved pursuant to paragraph (4) of this
11 subsection (d), which shall:

12 (i) be determined using a cost of service
13 methodology employing either a level or deferred
14 capital recovery component, based on a capital
15 structure consisting of 45% equity and 55% debt,
16 and a return on equity as may be approved by the
17 Federal Energy Regulatory Commission, which in any
18 case may not exceed the lower of 11.5% or the rate
19 of return approved by the General Assembly
20 pursuant to paragraph (4) of this subsection (d);
21 and

22 (ii) provide that all miscellaneous net
23 revenue, including but not limited to net revenue
24 from the sale of emission allowances, if any,
25 substitute natural gas, if any, grants or other
26 support provided by the State of Illinois or the

United States Government, firm transmission rights, if any, by-products produced by the facility, energy or capacity derived from the facility and not covered by a sourcing agreement pursuant to paragraph (3) of this subsection (d) or item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, whether generated from the synthesis gas derived from coal, from SNG, or from natural gas, shall be credited against the revenue requirement for this initial clean coal facility;

(B) power purchase provisions, which shall:

(i) provide that the utility party to such sourcing agreement shall pay the contract price for electricity delivered under such sourcing agreement;

(ii) require delivery of electricity to the regional transmission organization market of the utility that is party to such sourcing agreement;

(iii) require the utility party to such sourcing agreement to buy from the initial clean coal facility in each hour an amount of energy equal to all clean coal energy made available from the initial clean coal facility during such hour times a fraction, the numerator of which is such utility's retail market sales of electricity (expressed in kilowatthours sold) in the State

1 during the prior calendar month and the
2 denominator of which is the total retail market
3 sales of electricity (expressed in kilowatthours
4 sold) in the State by utilities during such prior
5 month and the sales of electricity (expressed in
6 kilowatthours sold) in the State by alternative
7 retail electric suppliers during such prior month
8 that are subject to the requirements of this
9 subsection (d) and paragraph (5) of subsection (d)
10 of Section 16-115 of the Public Utilities Act,
11 provided that the amount purchased by the utility
12 in any year will be limited by paragraph (2) of
13 this subsection (d); and

14 (iv) be considered pre-existing contracts in
15 such utility's procurement plans for eligible
16 retail customers;

17 (C) contract for differences provisions, which
18 shall:

19 (i) require the utility party to such sourcing
20 agreement to contract with the initial clean coal
21 facility in each hour with respect to an amount of
22 energy equal to all clean coal energy made
23 available from the initial clean coal facility
24 during such hour times a fraction, the numerator of
25 which is such utility's retail market sales of
26 electricity (expressed in kilowatthours sold) in

1 the utility's service territory in the State
2 during the prior calendar month and the
3 denominator of which is the total retail market
4 sales of electricity (expressed in kilowatthours
5 sold) in the State by utilities during such prior
6 month and the sales of electricity (expressed in
7 kilowatthours sold) in the State by alternative
8 retail electric suppliers during such prior month
9 that are subject to the requirements of this
10 subsection (d) and paragraph (5) of subsection (d)
11 of Section 16-115 of the Public Utilities Act,
12 provided that the amount paid by the utility in any
13 year will be limited by paragraph (2) of this
14 subsection (d);

15 (ii) provide that the utility's payment
16 obligation in respect of the quantity of
17 electricity determined pursuant to the preceding
18 clause (i) shall be limited to an amount equal to
19 (1) the difference between the contract price
20 determined pursuant to subparagraph (A) of
21 paragraph (3) of this subsection (d) and the
22 day-ahead price for electricity delivered to the
23 regional transmission organization market of the
24 utility that is party to such sourcing agreement
25 (or any successor delivery point at which such
26 utility's supply obligations are financially

1 settled on an hourly basis) (the "reference
2 price") on the day preceding the day on which the
3 electricity is delivered to the initial clean coal
4 facility busbar, multiplied by (2) the quantity of
5 electricity determined pursuant to the preceding
6 clause (i); and

7 (iii) not require the utility to take physical
8 delivery of the electricity produced by the
9 facility;

10 (D) general provisions, which shall:

11 (i) specify a term of no more than 30 years,
12 commencing on the commercial operation date of the
13 facility;

14 (ii) provide that utilities shall maintain
15 adequate records documenting purchases under the
16 sourcing agreements entered into to comply with
17 this subsection (d) and shall file an accounting
18 with the load forecast that must be filed with the
19 Agency by July 15 of each year, in accordance with
20 subsection (d) of Section 16-111.5 of the Public
21 Utilities Act;

22 (iii) provide that all costs associated with
23 the initial clean coal facility will be
24 periodically reported to the Federal Energy
25 Regulatory Commission and to purchasers in
26 accordance with applicable laws governing

1 cost-based wholesale power contracts;

2 (iv) permit the Illinois Power Agency to
3 assume ownership of the initial clean coal
4 facility, without monetary consideration and
5 otherwise on reasonable terms acceptable to the
6 Agency, if the Agency so requests no less than 3
7 years prior to the end of the stated contract term;

8 (v) require the owner of the initial clean coal
9 facility to provide documentation to the
10 Commission each year, starting in the facility's
11 first year of commercial operation, accurately
12 reporting the quantity of carbon emissions from
13 the facility that have been captured and
14 sequestered and report any quantities of carbon
15 released from the site or sites at which carbon
16 emissions were sequestered in prior years, based
17 on continuous monitoring of such sites. If, in any
18 year after the first year of commercial operation,
19 the owner of the facility fails to demonstrate that
20 the initial clean coal facility captured and
21 sequestered at least 50% of the total carbon
22 emissions that the facility would otherwise emit
23 or that sequestration of emissions from prior
24 years has failed, resulting in the release of
25 carbon dioxide into the atmosphere, the owner of
26 the facility must offset excess emissions. Any

such carbon offsets must be permanent, additional, verifiable, real, located within the State of Illinois, and legally and practicably enforceable. The cost of such offsets for the facility that are not recoverable shall not exceed \$15 million in any given year. No costs of any such purchases of carbon offsets may be recovered from a utility or its customers. All carbon offsets purchased for this purpose and any carbon emission credits associated with sequestration of carbon from the facility must be permanently retired. The initial clean coal facility shall not forfeit its designation as a clean coal facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased. However, the Attorney General, on behalf of the People of the State of Illinois, may specifically enforce the facility's sequestration requirement and the other terms of this contract provision. Compliance with the sequestration requirements and offset purchase requirements specified in paragraph (3) of this subsection (d) shall be reviewed annually by an independent expert retained by the owner of the initial clean coal facility, with the advance written approval

1 of the Attorney General. The Commission may, in the
2 course of the review specified in item (vii),
3 reduce the allowable return on equity for the
4 facility if the facility willfully fails to comply
5 with the carbon capture and sequestration
6 requirements set forth in this item (v);

7 (vi) include limits on, and accordingly
8 provide for modification of, the amount the
9 utility is required to source under the sourcing
10 agreement consistent with paragraph (2) of this
11 subsection (d);

12 (vii) require Commission review: (1) to
13 determine the justness, reasonableness, and
14 prudence of the inputs to the formula referenced in
15 subparagraphs (A)(i) through (A)(iii) of paragraph
16 (3) of this subsection (d), prior to an adjustment
17 in those inputs including, without limitation, the
18 capital structure and return on equity, fuel
19 costs, and other operations and maintenance costs
20 and (2) to approve the costs to be passed through
21 to customers under the sourcing agreement by which
22 the utility satisfies its statutory obligations.
23 Commission review shall occur no less than every 3
24 years, regardless of whether any adjustments have
25 been proposed, and shall be completed within 9
26 months;

(viii) limit the utility's obligation to such amount as the utility is allowed to recover through tariffs filed with the Commission, provided that neither the clean coal facility nor the utility waives any right to assert federal pre-emption or any other argument in response to a purported disallowance of recovery costs;

(ix) limit the utility's or alternative retail electric supplier's obligation to incur any liability until such time as the facility is in commercial operation and generating power and energy and such power and energy is being delivered to the facility busbar;

(x) provide that the owner or owners of the initial clean coal facility, which is the counterparty to such sourcing agreement, shall have the right from time to time to elect whether the obligations of the utility party thereto shall be governed by the power purchase provisions or the contract for differences provisions;

(xi) append documentation showing that the formula rate and contract, insofar as they relate to the power purchase provisions, have been approved by the Federal Energy Regulatory Commission pursuant to Section 205 of the Federal Power Act;

(xii) provide that any changes to the terms of the contract, insofar as such changes relate to the power purchase provisions, are subject to review under the public interest standard applied by the Federal Energy Regulatory Commission pursuant to Sections 205 and 206 of the Federal Power Act; and

(xiii) conform with customary lender requirements in power purchase agreements used as the basis for financing non-utility generators.

(4) Effective date of sourcing agreements with the initial clean coal facility. Any proposed sourcing agreement with the initial clean coal facility shall not become effective unless the following reports are prepared and submitted and authorizations and approvals obtained:

(i) Facility cost report. The owner of the initial clean coal facility shall submit to the Commission, the Agency, and the General Assembly a front-end engineering and design study, a facility cost report, method of financing (including but not limited to structure and associated costs), and an operating and maintenance cost quote for the facility (collectively "facility cost report"), which shall be prepared in accordance with the requirements of this paragraph (4) of subsection (d) of this Section, and shall provide the Commission and the Agency access to the work papers, relied upon documents, and any other backup

1 documentation related to the facility cost report.

2 (ii) Commission report. Within 6 months following
3 receipt of the facility cost report, the Commission, in
4 consultation with the Agency, shall submit a report to
5 the General Assembly setting forth its analysis of the
6 facility cost report. Such report shall include, but
7 not be limited to, a comparison of the costs associated
8 with electricity generated by the initial clean coal
9 facility to the costs associated with electricity
10 generated by other types of generation facilities, an
11 analysis of the rate impacts on residential and small
12 business customers over the life of the sourcing
13 agreements, and an analysis of the likelihood that the
14 initial clean coal facility will commence commercial
15 operation by and be delivering power to the facility's
16 busbar by 2016. To assist in the preparation of its
17 report, the Commission, in consultation with the
18 Agency, may hire one or more experts or consultants,
19 the costs of which shall be paid for by the owner of
20 the initial clean coal facility. The Commission and
21 Agency may begin the process of selecting such experts
22 or consultants prior to receipt of the facility cost
23 report.

24 (iii) General Assembly approval. The proposed
25 sourcing agreements shall not take effect unless,
26 based on the facility cost report and the Commission's

1 report, the General Assembly enacts authorizing
2 legislation approving (A) the projected price, stated
3 in cents per kilowatthour, to be charged for
4 electricity generated by the initial clean coal
5 facility, (B) the projected impact on residential and
6 small business customers' bills over the life of the
7 sourcing agreements, and (C) the maximum allowable
8 return on equity for the project; and

9 (iv) Commission review. If the General Assembly
10 enacts authorizing legislation pursuant to
11 subparagraph (iii) approving a sourcing agreement, the
12 Commission shall, within 90 days of such enactment,
13 complete a review of such sourcing agreement. During
14 such time period, the Commission shall implement any
15 directive of the General Assembly, resolve any
16 disputes between the parties to the sourcing agreement
17 concerning the terms of such agreement, approve the
18 form of such agreement, and issue an order finding that
19 the sourcing agreement is prudent and reasonable.

20 The facility cost report shall be prepared as follows:

21 (A) The facility cost report shall be prepared by
22 duly licensed engineering and construction firms
23 detailing the estimated capital costs payable to one or
24 more contractors or suppliers for the engineering,
25 procurement and construction of the components
26 comprising the initial clean coal facility and the

1 estimated costs of operation and maintenance of the
2 facility. The facility cost report shall include:

3 (i) an estimate of the capital cost of the core
4 plant based on one or more front end engineering
5 and design studies for the gasification island and
6 related facilities. The core plant shall include
7 all civil, structural, mechanical, electrical,
8 control, and safety systems.

9 (ii) an estimate of the capital cost of the
10 balance of the plant, including any capital costs
11 associated with sequestration of carbon dioxide
12 emissions and all interconnects and interfaces
13 required to operate the facility, such as
14 transmission of electricity, construction or
15 backfeed power supply, pipelines to transport
16 substitute natural gas or carbon dioxide, potable
17 water supply, natural gas supply, water supply,
18 water discharge, landfill, access roads, and coal
19 delivery.

20 The quoted construction costs shall be expressed
21 in nominal dollars as of the date that the quote is
22 prepared and shall include capitalized financing costs
23 during construction, taxes, insurance, and other
24 owner's costs, and an assumed escalation in materials
25 and labor beyond the date as of which the construction
26 cost quote is expressed.

(B) The front end engineering and design study for the gasification island and the cost study for the balance of plant shall include sufficient design work to permit quantification of major categories of materials, commodities and labor hours, and receipt of quotes from vendors of major equipment required to construct and operate the clean coal facility.

(C) The facility cost report shall also include an operating and maintenance cost quote that will provide the estimated cost of delivered fuel, personnel, maintenance contracts, chemicals, catalysts, consumables, spares, and other fixed and variable operations and maintenance costs. The delivered fuel cost estimate will be provided by a recognized third party expert or experts in the fuel and transportation industries. The balance of the operating and maintenance cost quote, excluding delivered fuel costs, will be developed based on the inputs provided by duly licensed engineering and construction firms performing the construction cost quote, potential vendors under long-term service agreements and plant operating agreements, or recognized third party plant operator or operators.

The operating and maintenance cost quote (including the cost of the front end engineering and design study) shall be expressed in nominal dollars as

1 of the date that the quote is prepared and shall
2 include taxes, insurance, and other owner's costs, and
3 an assumed escalation in materials and labor beyond the
4 date as of which the operating and maintenance cost
5 quote is expressed.

6 (D) The facility cost report shall also include an
7 analysis of the initial clean coal facility's ability
8 to deliver power and energy into the applicable
9 regional transmission organization markets and an
10 analysis of the expected capacity factor for the
11 initial clean coal facility.

12 (E) Amounts paid to third parties unrelated to the
13 owner or owners of the initial clean coal facility to
14 prepare the core plant construction cost quote,
15 including the front end engineering and design study,
16 and the operating and maintenance cost quote will be
17 reimbursed through Coal Development Bonds.

18 (5) Re-powering and retrofitting coal-fired power
19 plants previously owned by Illinois utilities to qualify as
20 clean coal facilities. During the 2009 procurement
21 planning process and thereafter, the Agency and the
22 Commission shall consider sourcing agreements covering
23 electricity generated by power plants that were previously
24 owned by Illinois utilities and that have been or will be
25 converted into clean coal facilities, as defined by Section
26 1-10 of this Act. Pursuant to such procurement planning

process, the owners of such facilities may propose to the Agency sourcing agreements with utilities and alternative retail electric suppliers required to comply with subsection (d) of this Section and item (5) of subsection (d) of Section 16-115 of the Public Utilities Act, covering electricity generated by such facilities. In the case of sourcing agreements that are power purchase agreements, the contract price for electricity sales shall be established on a cost of service basis. In the case of sourcing agreements that are contracts for differences, the contract price from which the reference price is subtracted shall be established on a cost of service basis. The Agency and the Commission may approve any such utility sourcing agreements that do not exceed cost-based benchmarks developed by the procurement administrator, in consultation with the Commission staff, Agency staff and the procurement monitor, subject to Commission review and approval. The Commission shall have authority to inspect all books and records associated with these clean coal facilities during the term of any such contract.

(6) Costs incurred under this subsection (d) or pursuant to a contract entered into under this subsection (d) shall be deemed prudently incurred and reasonable in amount and the electric utility shall be entitled to full cost recovery pursuant to the tariffs filed with the Commission.

1 (d-5) Zero emission standard.

2 (1) Beginning with the delivery year commencing on June
3 1, 2017, the Agency shall, for electric utilities that
4 serve at least 100,000 retail customers in this State,
5 procure contracts with zero emission facilities that are
6 reasonably capable of generating cost-effective zero
7 emission credits in an amount approximately equal to 16% of
8 the actual amount of electricity delivered by each electric
9 utility to retail customers in the State during calendar
10 year 2014. For an electric utility serving fewer than
11 100,000 retail customers in this State that requested,
12 under Section 16-111.5 of the Public Utilities Act, that
13 the Agency procure power and energy for all or a portion of
14 the utility's Illinois load for the delivery year
15 commencing June 1, 2016, the Agency shall procure contracts
16 with zero emission facilities that are reasonably capable
17 of generating cost-effective zero emission credits in an
18 amount approximately equal to 16% of the portion of power
19 and energy to be procured by the Agency for the utility.
20 The duration of the contracts procured under this
21 subsection (d-5) shall be for a term of 10 years ending May
22 31, 2027. The quantity of zero emission credits to be
23 procured under the contracts shall be all of the zero
24 emission credits generated by the zero emission facility in
25 each delivery year; however, if the zero emission facility
26 is owned by more than one entity, then the quantity of zero

1 emission credits to be procured under the contracts shall
2 be the amount of zero emission credits that are generated
3 from the portion of the zero emission facility that is
4 owned by the winning supplier.

5 The 16% value identified in this paragraph (1) is the
6 average of the percentage targets in subparagraph (B) of
7 paragraph (1) of subsection (c) of this Section 1-75 of
8 ~~this Act~~ for the 5 delivery years beginning June 1, 2017.

9 The procurement process shall be subject to the
10 following provisions:

11 (A) Those zero emission facilities that intend to
12 participate in the procurement shall submit to the
13 Agency the following eligibility information for each
14 zero emission facility on or before the date
15 established by the Agency:

16 (i) the in-service date and remaining useful
17 life of the zero emission facility;

18 (ii) the amount of power generated annually
19 for each of the years 2005 through 2015, and the
20 projected zero emission credits to be generated
21 over the remaining useful life of the zero emission
22 facility, which shall be used to determine the
23 capability of each facility;

24 (iii) the annual zero emission facility cost
25 projections, expressed on a per megawatthour
26 basis, over the next 6 delivery years, which shall

1 include the following: operation and maintenance
2 expenses; fully allocated overhead costs, which
3 shall be allocated using the methodology developed
4 by the Institute for Nuclear Power Operations;
5 fuel expenditures; non-fuel capital expenditures;
6 spent fuel expenditures; a return on working
7 capital; the cost of operational and market risks
8 that could be avoided by ceasing operation; and any
9 other costs necessary for continued operations,
10 provided that "necessary" means, for purposes of
11 this item (iii), that the costs could reasonably be
12 avoided only by ceasing operations of the zero
13 emission facility; and

14 (iv) a commitment to continue operating, for
15 the duration of the contract or contracts executed
16 under the procurement held under this subsection
17 (d-5), the zero emission facility that produces
18 the zero emission credits to be procured in the
19 procurement.

20 The information described in item (iii) of this
21 subparagraph (A) may be submitted on a confidential
22 basis and shall be treated and maintained by the
23 Agency, the procurement administrator, and the
24 Commission as confidential and proprietary and exempt
25 from disclosure under subparagraphs (a) and (g) of
26 paragraph (1) of Section 7 of the Freedom of

1 Information Act. The Office of Attorney General shall
2 have access to, and maintain the confidentiality of,
3 such information pursuant to Section 6.5 of the
4 Attorney General Act.

5 (B) The price for each zero emission credit
6 procured under this subsection (d-5) for each delivery
7 year shall be in an amount that equals the Social Cost
8 of Carbon, expressed on a price per megawatthour basis.
9 However, to ensure that the procurement remains
10 affordable to retail customers in this State if
11 electricity prices increase, the price in an
12 applicable delivery year shall be reduced below the
13 Social Cost of Carbon by the amount ("Price
14 Adjustment") by which the market price index for the
15 applicable delivery year exceeds the baseline market
16 price index for the consecutive 12-month period ending
17 May 31, 2016. If the Price Adjustment is greater than
18 or equal to the Social Cost of Carbon in an applicable
19 delivery year, then no payments shall be due in that
20 delivery year. The components of this calculation are
21 defined as follows:

22 (i) Social Cost of Carbon: The Social Cost of
23 Carbon is \$16.50 per megawatthour, which is based
24 on the U.S. Interagency Working Group on Social
25 Cost of Carbon's price in the August 2016 Technical
26 Update using a 3% discount rate, adjusted for

1 inflation for each year of the program. Beginning
2 with the delivery year commencing June 1, 2023, the
3 price per megawatthour shall increase by \$1 per
4 megawatthour, and continue to increase by an
5 additional \$1 per megawatthour each delivery year
6 thereafter.

7 (ii) Baseline market price index: The baseline
8 market price index for the consecutive 12-month
9 period ending May 31, 2016 is \$31.40 per
10 megawatthour, which is based on the sum of (aa) the
11 average day-ahead energy price across all hours of
12 such 12-month period at the PJM Interconnection
13 LLC Northern Illinois Hub, (bb) 50% multiplied by
14 the Base Residual Auction, or its successor,
15 capacity price for the rest of the RTO zone group
16 determined by PJM Interconnection LLC, divided by
17 24 hours per day, and (cc) 50% multiplied by the
18 Planning Resource Auction, or its successor,
19 capacity price for Zone 4 determined by the
20 Midcontinent Independent System Operator, Inc.,
21 divided by 24 hours per day.

22 (iii) Market price index: The market price
23 index for a delivery year shall be the sum of
24 projected energy prices and projected capacity
25 prices determined as follows:

26 (aa) Projected energy prices: the

1 projected energy prices for the applicable
2 delivery year shall be calculated once for the
3 year using the forward market price for the PJM
4 Interconnection, LLC Northern Illinois Hub.
5 The forward market price shall be calculated as
6 follows: the energy forward prices for each
7 month of the applicable delivery year averaged
8 for each trade date during the calendar year
9 immediately preceding that delivery year to
10 produce a single energy forward price for the
11 delivery year. The forward market price
12 calculation shall use data published by the
13 Intercontinental Exchange, or its successor.

14 (bb) Projected capacity prices:

15 (I) For the delivery years commencing
16 June 1, 2017, June 1, 2018, and June 1,
17 2019, the projected capacity price shall
18 be equal to the sum of (1) 50% multiplied
19 by the Base Residual Auction, or its
20 successor, price for the rest of the RTO
21 zone group as determined by PJM
22 Interconnection LLC, divided by 24 hours
23 per day and, (2) 50% multiplied by the
24 resource auction price determined in the
25 resource auction administered by the
26 Midcontinent Independent System Operator,

Inc., in which the largest percentage of load cleared for Local Resource Zone 4, divided by 24 hours per day, and where such price is determined by the Midcontinent Independent System Operator, Inc.

(II) For the delivery year commencing June 1, 2020, and each year thereafter, the projected capacity price shall be equal to the sum of (1) 50% multiplied by the Base Residual Auction, or its successor, price for the ComEd zone as determined by PJM Interconnection LLC, divided by 24 hours per day, and (2) 50% multiplied by the resource auction price determined in the resource auction administered by the Midcontinent Independent System Operator, Inc., in which the largest percentage of load cleared for Local Resource Zone 4, divided by 24 hours per day, and where such price is determined by the Midcontinent Independent System Operator, Inc.

For purposes of this subsection (d-5) :

"Rest of the RTO" and "ComEd Zone" shall have the meaning ascribed to them by PJM Interconnection, LLC.

"RTO" means regional transmission

organization.

(C) No later than 45 days after June 1, 2017 (the effective date of Public Act 99-906), the Agency shall publish its proposed zero emission standard procurement plan. The plan shall be consistent with the provisions of this paragraph (1) and shall provide that winning bids shall be selected based on public interest criteria that include, but are not limited to, minimizing carbon dioxide emissions that result from electricity consumed in Illinois and minimizing sulfur dioxide, nitrogen oxide, and particulate matter emissions that adversely affect the citizens of this State. In particular, the selection of winning bids shall take into account the incremental environmental benefits resulting from the procurement, such as any existing environmental benefits that are preserved by the procurements held under Public Act 99-906 and would cease to exist if the procurements were not held, including the preservation of zero emission facilities. The plan shall also describe in detail how each public interest factor shall be considered and weighted in the bid selection process to ensure that the public interest criteria are applied to the procurement and given full effect.

For purposes of developing the plan, the Agency shall consider any reports issued by a State agency,

1 board, or commission under House Resolution 1146 of the
2 98th General Assembly and paragraph (4) of subsection
3 (d) of this Section ~~1-75 of this Act~~, as well as
4 publicly available analyses and studies performed by
5 or for regional transmission organizations that serve
6 the State and their independent market monitors.

7 Upon publishing of the zero emission standard
8 procurement plan, copies of the plan shall be posted
9 and made publicly available on the Agency's website.
10 All interested parties shall have 10 days following the
11 date of posting to provide comment to the Agency on the
12 plan. All comments shall be posted to the Agency's
13 website. Following the end of the comment period, but
14 no more than 60 days later than June 1, 2017 (the
15 effective date of Public Act 99-906), the Agency shall
16 revise the plan as necessary based on the comments
17 received and file its zero emission standard
18 procurement plan with the Commission.

19 If the Commission determines that the plan will
20 result in the procurement of cost-effective zero
21 emission credits, then the Commission shall, after
22 notice and hearing, but no later than 45 days after the
23 Agency filed the plan, approve the plan or approve with
24 modification. For purposes of this subsection (d-5),
25 "cost effective" means the projected costs of
26 procuring zero emission credits from zero emission

1 facilities do not cause the limit stated in paragraph
2 (2) of this subsection to be exceeded.

3 (C-5) As part of the Commission's review and
4 acceptance or rejection of the procurement results,
5 the Commission shall, in its public notice of
6 successful bidders:

7 (i) identify how the winning bids satisfy the
8 public interest criteria described in subparagraph
9 (C) of this paragraph (1) of minimizing carbon
10 dioxide emissions that result from electricity
11 consumed in Illinois and minimizing sulfur
12 dioxide, nitrogen oxide, and particulate matter
13 emissions that adversely affect the citizens of
14 this State;

15 (ii) specifically address how the selection of
16 winning bids takes into account the incremental
17 environmental benefits resulting from the
18 procurement, including any existing environmental
19 benefits that are preserved by the procurements
20 held under Public Act 99-906 and would have ceased
21 to exist if the procurements had not been held,
22 such as the preservation of zero emission
23 facilities;

24 (iii) quantify the environmental benefit of
25 preserving the resources identified in item (ii)
26 of this subparagraph (C-5), including the

following:

(aa) the value of avoided greenhouse gas emissions measured as the product of the zero emission facilities' output over the contract term multiplied by the U.S. Environmental Protection Agency eGrid subregion carbon dioxide emission rate and the U.S. Interagency Working Group on Social Cost of Carbon's price in the August 2016 Technical Update using a 3% discount rate, adjusted for inflation for each delivery year; and

(bb) the costs of replacement with other zero carbon dioxide resources, including wind and photovoltaic, based upon the simple average of the following:

(I) the price, or if there is more than one price, the average of the prices, paid for renewable energy credits from new utility-scale wind projects in the procurement events specified in item (i) of subparagraph (G) of paragraph (1) of subsection (c) of this Section 1-75 of this Act; and

(II) the price, or if there is more than one price, the average of the prices, paid for renewable energy credits from new

utility-scale solar projects and brownfield site photovoltaic projects in the procurement events specified in item (ii) of subparagraph (G) of paragraph (1) of subsection (c) of this Section 1-75 of ~~this Act~~ and, after January 1, 2015, renewable energy credits from photovoltaic distributed generation projects in procurement events held under subsection (c) of this Section 1-75 of ~~this Act~~.

The procurement described in this subsection (d-5), including, but not limited to, the execution of all contracts procured, shall be completed no later than May 10, 2017. Based on the effective date of Public Act 99-906, the Agency and Commission may, as appropriate, modify the various dates and timelines under this subparagraph and subparagraphs (C) and (D) of this paragraph (1). The procurement and plan approval processes required by this subsection (d-5) shall be conducted in conjunction with the procurement and plan approval processes required by subsection (c) of this Section and Section 16-111.5 of the Public Utilities Act, to the extent practicable.

Notwithstanding whether a procurement event is

1 conducted under Section 16-111.5 of the Public
2 Utilities Act, the Agency shall immediately initiate a
3 procurement process on June 1, 2017 (the effective date
4 of Public Act 99-906).

5 (D) Following the procurement event described in
6 this paragraph (1) and consistent with subparagraph
7 (B) of this paragraph (1), the Agency shall calculate
8 the payments to be made under each contract for the
9 next delivery year based on the market price index for
10 that delivery year. The Agency shall publish the
11 payment calculations no later than May 25, 2017 and
12 every May 25 thereafter.

13 (E) Notwithstanding the requirements of this
14 subsection (d-5), the contracts executed under this
15 subsection (d-5) shall provide that the zero emission
16 facility may, as applicable, suspend or terminate
17 performance under the contracts in the following
18 instances:

19 (i) A zero emission facility shall be excused
20 from its performance under the contract for any
21 cause beyond the control of the resource,
22 including, but not restricted to, acts of God,
23 flood, drought, earthquake, storm, fire,
24 lightning, epidemic, war, riot, civil disturbance
25 or disobedience, labor dispute, labor or material
26 shortage, sabotage, acts of public enemy,

1 explosions, orders, regulations or restrictions
2 imposed by governmental, military, or lawfully
3 established civilian authorities, which, in any of
4 the foregoing cases, by exercise of commercially
5 reasonable efforts the zero emission facility
6 could not reasonably have been expected to avoid,
7 and which, by the exercise of commercially
8 reasonable efforts, it has been unable to
9 overcome. In such event, the zero emission
10 facility shall be excused from performance for the
11 duration of the event, including, but not limited
12 to, delivery of zero emission credits, and no
13 payment shall be due to the zero emission facility
14 during the duration of the event.

15 (ii) A zero emission facility shall be
16 permitted to terminate the contract if legislation
17 is enacted into law by the General Assembly that
18 imposes or authorizes a new tax, special
19 assessment, or fee on the generation of
20 electricity, the ownership or leasehold of a
21 generating unit, or the privilege or occupation of
22 such generation, ownership, or leasehold of
23 generation units by a zero emission facility.
24 However, the provisions of this item (ii) do not
25 apply to any generally applicable tax, special
26 assessment or fee, or requirements imposed by

1 federal law.

2 (iii) A zero emission facility shall be
3 permitted to terminate the contract in the event
4 that the resource requires capital expenditures in
5 excess of \$40,000,000 that were neither known nor
6 reasonably foreseeable at the time it executed the
7 contract and that a prudent owner or operator of
8 such resource would not undertake.

9 (iv) A zero emission facility shall be
10 permitted to terminate the contract in the event
11 the Nuclear Regulatory Commission terminates the
12 resource's license.

13 (F) If the zero emission facility elects to
14 terminate a contract under ~~this~~ subparagraph (E)r of
15 this paragraph (1), then the Commission shall reopen
16 the docket in which the Commission approved the zero
17 emission standard procurement plan under subparagraph
18 (C) of this paragraph (1) and, after notice and
19 hearing, enter an order acknowledging the contract
20 termination election if such termination is consistent
21 with the provisions of this subsection (d-5).

22 (2) For purposes of this subsection (d-5), the amount
23 paid per kilowatthour means the total amount paid for
24 electric service expressed on a per kilowatthour basis. For
25 purposes of this subsection (d-5), the total amount paid
26 for electric service includes, without limitation, amounts

1 paid for supply, transmission, distribution, surcharges,
2 and add-on taxes.

3 Notwithstanding the requirements of this subsection
4 (d-5), the contracts executed under this subsection (d-5)
5 shall provide that the total of zero emission credits
6 procured under a procurement plan shall be subject to the
7 limitations of this paragraph (2). For each delivery year,
8 the contractual volume receiving payments in such year
9 shall be reduced for all retail customers based on the
10 amount necessary to limit the net increase that delivery
11 year to the costs of those credits included in the amounts
12 paid by eligible retail customers in connection with
13 electric service to no more than 1.65% of the amount paid
14 per kilowatthour by eligible retail customers during the
15 year ending May 31, 2009. The result of this computation
16 shall apply to and reduce the procurement for all retail
17 customers, and all those customers shall pay the same
18 single, uniform cents per kilowatthour charge under
19 subsection (k) of Section 16-108 of the Public Utilities
20 Act. To arrive at a maximum dollar amount of zero emission
21 credits to be paid for the particular delivery year, the
22 resulting per kilowatthour amount shall be applied to the
23 actual amount of kilowatthours of electricity delivered by
24 the electric utility in the delivery year immediately prior
25 to the procurement, to all retail customers in its service
26 territory. Unpaid contractual volume for any delivery year

1 shall be paid in any subsequent delivery year in which such
2 payments can be made without exceeding the amount specified
3 in this paragraph (2). The calculations required by this
4 paragraph (2) shall be made only once for each procurement
5 plan year. Once the determination as to the amount of zero
6 emission credits to be paid is made based on the
7 calculations set forth in this paragraph (2), no subsequent
8 rate impact determinations shall be made and no adjustments
9 to those contract amounts shall be allowed. All costs
10 incurred under those contracts and in implementing this
11 subsection (d-5) shall be recovered by the electric utility
12 as provided in this Section.

13 No later than June 30, 2019, the Commission shall
14 review the limitation on the amount of zero emission
15 credits procured under this subsection (d-5) and report to
16 the General Assembly its findings as to whether that
17 limitation unduly constrains the procurement of
18 cost-effective zero emission credits.

19 (3) Six years after the execution of a contract under
20 this subsection (d-5), the Agency shall determine whether
21 the actual zero emission credit payments received by the
22 supplier over the 6-year period exceed the Average ZEC
23 Payment. In addition, at the end of the term of a contract
24 executed under this subsection (d-5), or at the time, if
25 any, a zero emission facility's contract is terminated
26 under subparagraph (E) of paragraph (1) of this subsection

(d-5), then the Agency shall determine whether the actual zero emission credit payments received by the supplier over the term of the contract exceed the Average ZEC Payment, after taking into account any amounts previously credited back to the utility under this paragraph (3). If the Agency determines that the actual zero emission credit payments received by the supplier over the relevant period exceed the Average ZEC Payment, then the supplier shall credit the difference back to the utility. The amount of the credit shall be remitted to the applicable electric utility no later than 120 days after the Agency's determination, which the utility shall reflect as a credit on its retail customer bills as soon as practicable; however, the credit remitted to the utility shall not exceed the total amount of payments received by the facility under its contract.

For purposes of this Section, the Average ZEC Payment shall be calculated by multiplying the quantity of zero emission credits delivered under the contract times the average contract price. The average contract price shall be determined by subtracting the amount calculated under subparagraph (B) of this paragraph (3) from the amount calculated under subparagraph (A) of this paragraph (3), as follows:

(A) The average of the Social Cost of Carbon, as defined in subparagraph (B) of paragraph (1) of this subsection (d-5), during the term of the contract.

1 (B) The average of the market price indices, as
2 defined in subparagraph (B) of paragraph (1) of this
3 subsection (d-5), during the term of the contract,
4 minus the baseline market price index, as defined in
5 subparagraph (B) of paragraph (1) of this subsection
6 (d-5).

7 If the subtraction yields a negative number, then the
8 Average ZEC Payment shall be zero.

9 (4) Cost-effective zero emission credits procured from
10 zero emission facilities shall satisfy the applicable
11 definitions set forth in Section 1-10 of this Act.

12 (5) The electric utility shall retire all zero emission
13 credits used to comply with the requirements of this
14 subsection (d-5).

15 (6) Electric utilities shall be entitled to recover all
16 of the costs associated with the procurement of zero
17 emission credits through an automatic adjustment clause
18 tariff in accordance with subsection (k) and (m) of Section
19 16-108 of the Public Utilities Act, and the contracts
20 executed under this subsection (d-5) shall provide that the
21 utilities' payment obligations under such contracts shall
22 be reduced if an adjustment is required under subsection
23 (m) of Section 16-108 of the Public Utilities Act.

24 (7) This subsection (d-5) shall become inoperative on
25 January 1, 2028.

26 (e) The draft procurement plans are subject to public

1 comment, as required by Section 16-111.5 of the Public
2 Utilities Act.

3 (f) The Agency shall submit the final procurement plan to
4 the Commission. The Agency shall revise a procurement plan if
5 the Commission determines that it does not meet the standards
6 set forth in Section 16-111.5 of the Public Utilities Act.

7 (g) The Agency shall assess fees to each affected utility
8 to recover the costs incurred in preparation of the annual
9 procurement plan for the utility.

10 (h) The Agency shall assess fees to each bidder to recover
11 the costs incurred in connection with a competitive procurement
12 process.

13 (i) A renewable energy credit (including renewable energy
14 credits sold, delivered, and purchased under a contract entered
15 into pursuant to subsection (c-5) of this Section), carbon
16 emission credit, or zero emission credit can only be used once
17 to comply with a single portfolio or other standard as set
18 forth in subsection (c), subsection (c-5), subsection (d), or
19 subsection (d-5) of this Section, respectively. A renewable
20 energy credit, carbon emission credit, or zero emission credit
21 cannot be used to satisfy the requirements of more than one
22 standard. If more than one type of credit is issued for the
23 same megawatt hour of energy, only one credit can be used to
24 satisfy the requirements of a single standard. After such use,
25 the credit must be retired together with any other credits
26 issued for the same megawatt hour of energy.

1 (Source: P.A. 99-536, eff. 7-8-16; 99-906, eff. 6-1-17;
2 100-863, eff. 8-14-18; revised 10-18-18.)

3 Section 15. The State Finance Act is amended by adding
4 Section 5.891 as follows:

5 (30 ILCS 105/5.891 new)

6 Sec. 5.891. The Coal to Solar and Energy Storage Incentive
7 and Plant Transition Fund.

8 Section 20. The Public Utilities Act is amended by changing
9 Sections 16-108 and 16-111.5 as follows:

10 (220 ILCS 5/16-108)

11 Sec. 16-108. Recovery of costs associated with the
12 provision of delivery and other services and certain other
13 charges.

14 (a) An electric utility shall file a delivery services
15 tariff with the Commission at least 210 days prior to the date
16 that it is required to begin offering such services pursuant to
17 this Act. An electric utility shall provide the components of
18 delivery services that are subject to the jurisdiction of the
19 Federal Energy Regulatory Commission at the same prices, terms
20 and conditions set forth in its applicable tariff as approved
21 or allowed into effect by that Commission. The Commission shall
22 otherwise have the authority pursuant to Article IX to review,

1 approve, and modify the prices, terms and conditions of those
2 components of delivery services not subject to the jurisdiction
3 of the Federal Energy Regulatory Commission, including the
4 authority to determine the extent to which such delivery
5 services should be offered on an unbundled basis. In making any
6 such determination the Commission shall consider, at a minimum,
7 the effect of additional unbundling on (i) the objective of
8 just and reasonable rates, (ii) electric utility employees, and
9 (iii) the development of competitive markets for electric
10 energy services in Illinois.

11 (b) The Commission shall enter an order approving, or
12 approving as modified, the delivery services tariff no later
13 than 30 days prior to the date on which the electric utility
14 must commence offering such services. The Commission may
15 subsequently modify such tariff pursuant to this Act.

16 (c) The electric utility's tariffs shall define the classes
17 of its customers for purposes of delivery services charges.
18 Delivery services shall be priced and made available to all
19 retail customers electing delivery services in each such class
20 on a nondiscriminatory basis regardless of whether the retail
21 customer chooses the electric utility, an affiliate of the
22 electric utility, or another entity as its supplier of electric
23 power and energy. Charges for delivery services shall be cost
24 based, and shall allow the electric utility to recover the
25 costs of providing delivery services through its charges to its
26 delivery service customers that use the facilities and services

1 associated with such costs. Such costs shall include the costs
2 of owning, operating and maintaining transmission and
3 distribution facilities. The Commission shall also be
4 authorized to consider whether, and if so to what extent, the
5 following costs are appropriately included in the electric
6 utility's delivery services rates: (i) the costs of that
7 portion of generation facilities used for the production and
8 absorption of reactive power in order that retail customers
9 located in the electric utility's service area can receive
10 electric power and energy from suppliers other than the
11 electric utility, and (ii) the costs associated with the use
12 and redispatch of generation facilities to mitigate
13 constraints on the transmission or distribution system in order
14 that retail customers located in the electric utility's service
15 area can receive electric power and energy from suppliers other
16 than the electric utility. Nothing in this subsection shall be
17 construed as directing the Commission to allocate any of the
18 costs described in (i) or (ii) that are found to be
19 appropriately included in the electric utility's delivery
20 services rates to any particular customer group or geographic
21 area in setting delivery services rates.

22 (d) The Commission shall establish charges, terms and
23 conditions for delivery services that are just and reasonable
24 and shall take into account customer impacts when establishing
25 such charges. In establishing charges, terms and conditions for
26 delivery services, the Commission shall take into account

1 voltage level differences. A retail customer shall have the
2 option to request to purchase electric service at any delivery
3 service voltage reasonably and technically feasible from the
4 electric facilities serving that customer's premises provided
5 that there are no significant adverse impacts upon system
6 reliability or system efficiency. A retail customer shall also
7 have the option to request to purchase electric service at any
8 point of delivery that is reasonably and technically feasible
9 provided that there are no significant adverse impacts on
10 system reliability or efficiency. Such requests shall not be
11 unreasonably denied.

12 (e) Electric utilities shall recover the costs of
13 installing, operating or maintaining facilities for the
14 particular benefit of one or more delivery services customers,
15 including without limitation any costs incurred in complying
16 with a customer's request to be served at a different voltage
17 level, directly from the retail customer or customers for whose
18 benefit the costs were incurred, to the extent such costs are
19 not recovered through the charges referred to in subsections
20 (c) and (d) of this Section.

21 (f) An electric utility shall be entitled but not required
22 to implement transition charges in conjunction with the
23 offering of delivery services pursuant to Section 16-104. If an
24 electric utility implements transition charges, it shall
25 implement such charges for all delivery services customers and
26 for all customers described in subsection (h), but shall not

1 implement transition charges for power and energy that a retail
2 customer takes from cogeneration or self-generation facilities
3 located on that retail customer's premises, if such facilities
4 meet the following criteria:

5 (i) the cogeneration or self-generation facilities
6 serve a single retail customer and are located on that
7 retail customer's premises (for purposes of this
8 subparagraph and subparagraph (ii), an industrial or
9 manufacturing retail customer and a third party contractor
10 that is served by such industrial or manufacturing customer
11 through such retail customer's own electrical distribution
12 facilities under the circumstances described in subsection
13 (vi) of the definition of "alternative retail electric
14 supplier" set forth in Section 16-102, shall be considered
15 a single retail customer);

16 (ii) the cogeneration or self-generation facilities
17 either (A) are sized pursuant to generally accepted
18 engineering standards for the retail customer's electrical
19 load at that premises (taking into account standby or other
20 reliability considerations related to that retail
21 customer's operations at that site) or (B) if the facility
22 is a cogeneration facility located on the retail customer's
23 premises, the retail customer is the thermal host for that
24 facility and the facility has been designed to meet that
25 retail customer's thermal energy requirements resulting in
26 electrical output beyond that retail customer's electrical

1 demand at that premises, comply with the operating and
2 efficiency standards applicable to "qualifying facilities"
3 specified in title 18 Code of Federal Regulations Section
4 292.205 as in effect on the effective date of this
5 amendatory Act of 1999;

6 (iii) the retail customer on whose premises the
7 facilities are located either has an exclusive right to
8 receive, and corresponding obligation to pay for, all of
9 the electrical capacity of the facility, or in the case of
10 a cogeneration facility that has been designed to meet the
11 retail customer's thermal energy requirements at that
12 premises, an identified amount of the electrical capacity
13 of the facility, over a minimum 5-year period; and

14 (iv) if the cogeneration facility is sized for the
15 retail customer's thermal load at that premises but exceeds
16 the electrical load, any sales of excess power or energy
17 are made only at wholesale, are subject to the jurisdiction
18 of the Federal Energy Regulatory Commission, and are not
19 for the purpose of circumventing the provisions of this
20 subsection (f).

21 If a generation facility located at a retail customer's
22 premises does not meet the above criteria, an electric utility
23 implementing transition charges shall implement a transition
24 charge until December 31, 2006 for any power and energy taken
25 by such retail customer from such facility as if such power and
26 energy had been delivered by the electric utility. Provided,

1 however, that an industrial retail customer that is taking
2 power from a generation facility that does not meet the above
3 criteria but that is located on such customer's premises will
4 not be subject to a transition charge for the power and energy
5 taken by such retail customer from such generation facility if
6 the facility does not serve any other retail customer and
7 either was installed on behalf of the customer and for its own
8 use prior to January 1, 1997, or is both predominantly fueled
9 by byproducts of such customer's manufacturing process at such
10 premises and sells or offers an average of 300 megawatts or
11 more of electricity produced from such generation facility into
12 the wholesale market. Such charges shall be calculated as
13 provided in Section 16-102, and shall be collected on each
14 kilowatt-hour delivered under a delivery services tariff to a
15 retail customer from the date the customer first takes delivery
16 services until December 31, 2006 except as provided in
17 subsection (h) of this Section. Provided, however, that an
18 electric utility, other than an electric utility providing
19 service to at least 1,000,000 customers in this State on
20 January 1, 1999, shall be entitled to petition for entry of an
21 order by the Commission authorizing the electric utility to
22 implement transition charges for an additional period ending no
23 later than December 31, 2008. The electric utility shall file
24 its petition with supporting evidence no earlier than 16
25 months, and no later than 12 months, prior to December 31,
26 2006. The Commission shall hold a hearing on the electric

1 utility's petition and shall enter its order no later than 8
2 months after the petition is filed. The Commission shall
3 determine whether and to what extent the electric utility shall
4 be authorized to implement transition charges for an additional
5 period. The Commission may authorize the electric utility to
6 implement transition charges for some or all of the additional
7 period, and shall determine the mitigation factors to be used
8 in implementing such transition charges; provided, that the
9 Commission shall not authorize mitigation factors less than
10 110% of those in effect during the 12 months ended December 31,
11 2006. In making its determination, the Commission shall
12 consider the following factors: the necessity to implement
13 transition charges for an additional period in order to
14 maintain the financial integrity of the electric utility; the
15 prudence of the electric utility's actions in reducing its
16 costs since the effective date of this amendatory Act of 1997;
17 the ability of the electric utility to provide safe, adequate
18 and reliable service to retail customers in its service area;
19 and the impact on competition of allowing the electric utility
20 to implement transition charges for the additional period.

21 (g) The electric utility shall file tariffs that establish
22 the transition charges to be paid by each class of customers to
23 the electric utility in conjunction with the provision of
24 delivery services. The electric utility's tariffs shall define
25 the classes of its customers for purposes of calculating
26 transition charges. The electric utility's tariffs shall

1 provide for the calculation of transition charges on a
2 customer-specific basis for any retail customer whose average
3 monthly maximum electrical demand on the electric utility's
4 system during the 6 months with the customer's highest monthly
5 maximum electrical demands equals or exceeds 3.0 megawatts for
6 electric utilities having more than 1,000,000 customers, and
7 for other electric utilities for any customer that has an
8 average monthly maximum electrical demand on the electric
9 utility's system of one megawatt or more, and (A) for which
10 there exists data on the customer's usage during the 3 years
11 preceding the date that the customer became eligible to take
12 delivery services, or (B) for which there does not exist data
13 on the customer's usage during the 3 years preceding the date
14 that the customer became eligible to take delivery services, if
15 in the electric utility's reasonable judgment there exists
16 comparable usage information or a sufficient basis to develop
17 such information, and further provided that the electric
18 utility can require customers for which an individual
19 calculation is made to sign contracts that set forth the
20 transition charges to be paid by the customer to the electric
21 utility pursuant to the tariff.

22 (h) An electric utility shall also be entitled to file
23 tariffs that allow it to collect transition charges from retail
24 customers in the electric utility's service area that do not
25 take delivery services but that take electric power or energy
26 from an alternative retail electric supplier or from an

1 electric utility other than the electric utility in whose
2 service area the customer is located. Such charges shall be
3 calculated, in accordance with the definition of transition
4 charges in Section 16-102, for the period of time that the
5 customer would be obligated to pay transition charges if it
6 were taking delivery services, except that no deduction for
7 delivery services revenues shall be made in such calculation,
8 and usage data from the customer's class shall be used where
9 historical usage data is not available for the individual
10 customer. The customer shall be obligated to pay such charges
11 on a lump sum basis on or before the date on which the customer
12 commences to take service from the alternative retail electric
13 supplier or other electric utility, provided, that the electric
14 utility in whose service area the customer is located shall
15 offer the customer the option of signing a contract pursuant to
16 which the customer pays such charges ratably over the period in
17 which the charges would otherwise have applied.

18 (i) An electric utility shall be entitled to add to the
19 bills of delivery services customers charges pursuant to
20 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
21 and Section 16-114 of this Act, Section 5-5 of the Electricity
22 Infrastructure Maintenance Fee Law, Section 6-5 of the
23 Renewable Energy, Energy Efficiency, and Coal Resources
24 Development Law of 1997, and Section 13 of the Energy
25 Assistance Act.

26 (i-5) An electric utility required to impose the Coal to

1 Solar Energy Storage Initiative Charge provided for in
2 subsection (c-5) of Section 1-75 of the Illinois Power Agency
3 Act shall add such charge to the bills of its delivery services
4 customers pursuant to the terms of a tariff conforming to the
5 requirements of subsection (c-5) of Section 1-75 of the
6 Illinois Power Agency Act and filed with and approved by the
7 Commission. The electric utility shall file its proposed tariff
8 with the Commission within 30 days following the effective date
9 of this amendatory Act of the 101st General Assembly. Within 45
10 days following the date the proposed tariff is filed with the
11 Commission, the Commission shall review and approve the
12 electric utility's proposed tariff, or direct the electric
13 utility to make modifications to conform to the requirements of
14 subsection (c-5) of Section 1-75 of the Illinois Power Agency
15 Act. The electric utility's tariff shall be placed into effect
16 90 days following the effective date of this amendatory Act of
17 the 101st General Assembly. The electric utility shall use the
18 funds collected pursuant to the tariff in accordance with
19 subsection (c-5) of Section 1-75 of the Illinois Power Agency
20 Act, including depositing a portion of such funds in the Coal
21 to Solar and Energy Storage Incentive and Plant Transition Fund
22 as provided for in subsection (c-5) of Section 1-75 of the
23 Illinois Power Agency Act.

24 (j) If a retail customer that obtains electric power and
25 energy from cogeneration or self-generation facilities
26 installed for its own use on or before January 1, 1997,

1 subsequently takes service from an alternative retail electric
2 supplier or an electric utility other than the electric utility
3 in whose service area the customer is located for any portion
4 of the customer's electric power and energy requirements
5 formerly obtained from those facilities (including that amount
6 purchased from the utility in lieu of such generation and not
7 as standby power purchases, under a cogeneration displacement
8 tariff in effect as of the effective date of this amendatory
9 Act of 1997), the transition charges otherwise applicable
10 pursuant to subsections (f), (g), or (h) of this Section shall
11 not be applicable in any year to that portion of the customer's
12 electric power and energy requirements formerly obtained from
13 those facilities, provided, that for purposes of this
14 subsection (j), such portion shall not exceed the average
15 number of kilowatt-hours per year obtained from the
16 cogeneration or self-generation facilities during the 3 years
17 prior to the date on which the customer became eligible for
18 delivery services, except as provided in subsection (f) of
19 Section 16-110.

20 (k) The electric utility shall be entitled to recover
21 through tariffed charges all of the costs associated with the
22 purchase of zero emission credits from zero emission facilities
23 to meet the requirements of subsection (d-5) of Section 1-75 of
24 the Illinois Power Agency Act. Such costs shall include the
25 costs of procuring the zero emission credits, as well as the
26 reasonable costs that the utility incurs as part of the

procurement processes and to implement and comply with plans and processes approved by the Commission under such subsection (d-5). The costs shall be allocated across all retail customers through a single, uniform cents per kilowatt-hour charge applicable to all retail customers, which shall appear as a separate line item on each customer's bill. Beginning June 1, 2017, the electric utility shall be entitled to recover through tariffed charges all of the costs associated with the purchase of renewable energy resources to meet the renewable energy resource standards of subsection (c) of Section 1-75 of the Illinois Power Agency Act, under procurement plans as approved in accordance with that Section and Section 16-111.5 of this Act. Such costs shall include the costs of procuring the renewable energy resources, as well as the reasonable costs that the utility incurs as part of the procurement processes and to implement and comply with plans and processes approved by the Commission under such Sections. The costs associated with the purchase of renewable energy resources shall be allocated across all retail customers in proportion to the amount of renewable energy resources the utility procures for such customers through a single, uniform cents per kilowatt-hour charge applicable to such retail customers, which shall appear as a separate line item on each such customer's bill.

Notwithstanding whether the Commission has approved the initial long-term renewable resources procurement plan as of

1 June 1, 2017, an electric utility shall place new tariffed
2 charges into effect beginning with the June 2017 monthly
3 billing period, to the extent practicable, to begin recovering
4 the costs of procuring renewable energy resources, as those
5 charges are calculated under the limitations described in
6 subparagraph (E) of paragraph (1) of subsection (c) of Section
7 1-75 of the Illinois Power Agency Act. Notwithstanding the date
8 on which the utility places such new tariffed charges into
9 effect, the utility shall be permitted to collect the charges
10 under such tariff as if the tariff had been in effect beginning
11 with the first day of the June 2017 monthly billing period. For
12 the delivery years commencing June 1, 2017, June 1, 2018, and
13 June 1, 2019, the electric utility shall deposit into a
14 separate interest bearing account of a financial institution
15 the monies collected under the tariffed charges. Any interest
16 earned shall be credited back to retail customers under the
17 reconciliation proceeding provided for in this subsection (k),
18 provided that the electric utility shall first be reimbursed
19 from the interest for the administrative costs that it incurs
20 to administer and manage the account. Any taxes due on the
21 funds in the account, or interest earned on it, will be paid
22 from the account or, if insufficient monies are available in
23 the account, from the monies collected under the tariffed
24 charges to recover the costs of procuring renewable energy
25 resources. Monies deposited in the account shall be subject to
26 the review, reconciliation, and true-up process described in

1 this subsection (k) that is applicable to the funds collected
2 and costs incurred for the procurement of renewable energy
3 resources.

4 The electric utility shall be entitled to recover all of
5 the costs identified in this subsection (k) through automatic
6 adjustment clause tariffs applicable to all of the utility's
7 retail customers that allow the electric utility to adjust its
8 tariffed charges consistent with this subsection (k). The
9 determination as to whether any excess funds were collected
10 during a given delivery year for the purchase of renewable
11 energy resources, and the crediting of any excess funds back to
12 retail customers, shall not be made until after the close of
13 the delivery year, which will ensure that the maximum amount of
14 funds is available to implement the approved long-term
15 renewable resources procurement plan during a given delivery
16 year. The electric utility's collections under such automatic
17 adjustment clause tariffs to recover the costs of renewable
18 energy resources and zero emission credits from zero emission
19 facilities shall be subject to separate annual review,
20 reconciliation, and true-up against actual costs by the
21 Commission under a procedure that shall be specified in the
22 electric utility's automatic adjustment clause tariffs and
23 that shall be approved by the Commission in connection with its
24 approval of such tariffs. The procedure shall provide that any
25 difference between the electric utility's collections under
26 the automatic adjustment charges for an annual period and the

1 electric utility's actual costs of renewable energy resources
2 and zero emission credits from zero emission facilities for
3 that same annual period shall be refunded to or collected from,
4 as applicable, the electric utility's retail customers in
5 subsequent periods.

6 Nothing in this subsection (k) is intended to affect,
7 limit, or change the right of the electric utility to recover
8 the costs associated with the procurement of renewable energy
9 resources for periods commencing before, on, or after June 1,
10 2017, as otherwise provided in the Illinois Power Agency Act.

11 Notwithstanding anything to the contrary, the Commission
12 shall not conduct an annual review, reconciliation, and true-up
13 associated with renewable energy resources' collections and
14 costs for the delivery years commencing June 1, 2017, June 1,
15 2018, June 1, 2019, and June 1, 2020, and shall instead conduct
16 a single review, reconciliation, and true-up associated with
17 renewable energy resources' collections and costs for the
18 4-year period beginning June 1, 2017 and ending May 31, 2021,
19 provided that the review, reconciliation, and true-up shall not
20 be initiated until after August 31, 2021. During the 4-year
21 period, the utility shall be permitted to collect and retain
22 funds under this subsection (k) and to purchase renewable
23 energy resources under an approved long-term renewable
24 resources procurement plan using those funds regardless of the
25 delivery year in which the funds were collected during the
26 4-year period.

1 If the amount of funds collected during the delivery year
2 commencing June 1, 2017, exceeds the costs incurred during that
3 delivery year, then up to half of this excess amount, as
4 calculated on June 1, 2018, may be used to fund the programs
5 under subsection (b) of Section 1-56 of the Illinois Power
6 Agency Act in the same proportion the programs are funded under
7 that subsection (b). However, any amount identified under this
8 subsection (k) to fund programs under subsection (b) of Section
9 1-56 of the Illinois Power Agency Act shall be reduced if it
10 exceeds the funding shortfall. For purposes of this Section,
11 "funding shortfall" means the difference between \$200,000,000
12 and the amount appropriated by the General Assembly to the
13 Illinois Power Agency Renewable Energy Resources Fund during
14 the period that commences on the effective date of this
15 amendatory act of the 99th General Assembly and ends on August
16 1, 2018.

17 If the amount of funds collected during the delivery year
18 commencing June 1, 2018, exceeds the costs incurred during that
19 delivery year, then up to half of this excess amount, as
20 calculated on June 1, 2019, may be used to fund the programs
21 under subsection (b) of Section 1-56 of the Illinois Power
22 Agency Act in the same proportion the programs are funded under
23 that subsection (b). However, any amount identified under this
24 subsection (k) to fund programs under subsection (b) of Section
25 1-56 of the Illinois Power Agency Act shall be reduced if it
26 exceeds the funding shortfall.

1 If the amount of funds collected during the delivery year
2 commencing June 1, 2019, exceeds the costs incurred during that
3 delivery year, then up to half of this excess amount, as
4 calculated on June 1, 2020, may be used to fund the programs
5 under subsection (b) of Section 1-56 of the Illinois Power
6 Agency Act in the same proportion the programs are funded under
7 that subsection (b). However, any amount identified under this
8 subsection (k) to fund programs under subsection (b) of Section
9 1-56 of the Illinois Power Agency Act shall be reduced if it
10 exceeds the funding shortfall.

11 The funding available under this subsection (k), if any,
12 for the programs described under subsection (b) of Section 1-56
13 of the Illinois Power Agency Act shall not reduce the amount of
14 funding for the programs described in subparagraph (O) of
15 paragraph (1) of subsection (c) of Section 1-75 of the Illinois
16 Power Agency Act. If funding is available under this subsection
17 (k) for programs described under subsection (b) of Section 1-56
18 of the Illinois Power Agency Act, then the long-term renewable
19 resources plan shall provide for the Agency to procure
20 contracts in an amount that does not exceed the funding, and
21 the contracts approved by the Commission shall be executed by
22 the applicable utility or utilities.

23 (1) A utility that has terminated any contract executed
24 under subsection (d-5) of Section 1-75 of the Illinois Power
25 Agency Act shall be entitled to recover any remaining balance
26 associated with the purchase of zero emission credits prior to

1 such termination, and such utility shall also apply a credit to
2 its retail customer bills in the event of any over-collection.

3 (m) (1) An electric utility that recovers its costs of
4 procuring zero emission credits from zero emission
5 facilities through a cents-per-kilowatthour charge under
6 to subsection (k) of this Section shall be subject to the
7 requirements of this subsection (m). Notwithstanding
8 anything to the contrary, such electric utility shall,
9 beginning on April 30, 2018, and each April 30 thereafter
10 until April 30, 2026, calculate whether any reduction must
11 be applied to such cents-per-kilowatthour charge that is
12 paid by retail customers of the electric utility that are
13 exempt from subsections (a) through (j) of Section 8-103B
14 of this Act under subsection (1) of Section 8-103B. Such
15 charge shall be reduced for such customers for the next
16 delivery year commencing on June 1 based on the amount
17 necessary, if any, to limit the annual estimated average
18 net increase for the prior calendar year due to the future
19 energy investment costs to no more than 1.3% of 5.98 cents
20 per kilowatt-hour, which is the average amount paid per
21 kilowatthour for electric service during the year ending
22 December 31, 2015 by Illinois industrial retail customers,
23 as reported to the Edison Electric Institute.

24 The calculations required by this subsection (m) shall
25 be made only once for each year, and no subsequent rate
26 impact determinations shall be made.

(2) For purposes of this Section, "future energy investment costs" shall be calculated by subtracting the cents-per-kilowatthour charge identified in subparagraph (A) of this paragraph (2) from the sum of the cents-per-kilowatthour charges identified in subparagraph (B) of this paragraph (2):

(A) The cents-per-kilowatthour charge identified in the electric utility's tariff placed into effect under Section 8-103 of the Public Utilities Act that, on December 1, 2016, was applicable to those retail customers that are exempt from subsections (a) through (j) of Section 8-103B of this Act under subsection (l) of Section 8-103B.

(B) The sum of the following cents-per-kilowatthour charges applicable to those retail customers that are exempt from subsections (a) through (j) of Section 8-103B of this Act under subsection (l) of Section 8-103B, provided that if one or more of the following charges has been in effect and applied to such customers for more than one calendar year, then each charge shall be equal to the average of the charges applied over a period that commences with the calendar year ending December 31, 2017 and ends with the most recently completed calendar year prior to the calculation required by this subsection (m):

(i) the cents-per-kilowatthour charge to

1 recover the costs incurred by the utility under
2 subsection (d-5) of Section 1-75 of the Illinois
3 Power Agency Act, adjusted for any reductions
4 required under this subsection (m); and

5 (ii) the cents-per-kilowatthour charge to
6 recover the costs incurred by the utility under
7 Section 16-107.6 of the Public Utilities Act.

8 If no charge was applied for a given calendar year
9 under item (i) or (ii) of this subparagraph (B), then
10 the value of the charge for that year shall be zero.

11 (3) If a reduction is required by the calculation
12 performed under this subsection (m), then the amount of the
13 reduction shall be multiplied by the number of years
14 reflected in the averages calculated under subparagraph
15 (B) of paragraph (2) of this subsection (m). Such reduction
16 shall be applied to the cents-per-kilowatthour charge that
17 is applicable to those retail customers that are exempt
18 from subsections (a) through (j) of Section 8-103B of this
19 Act under subsection (l) of Section 8-103B beginning with
20 the next delivery year commencing after the date of the
21 calculation required by this subsection (m).

22 (4) The electric utility shall file a notice with the
23 Commission on May 1 of 2018 and each May 1 thereafter until
24 May 1, 2026 containing the reduction, if any, which must be
25 applied for the delivery year which begins in the year of
26 the filing. The notice shall contain the calculations made

1 pursuant to this Section. By October 1 of each year
2 beginning in 2018, each electric utility shall notify the
3 Commission if it appears, based on an estimate of the
4 calculation required in this subsection (m), that a
5 reduction will be required in the next year.

6 (Source: P.A. 99-906, eff. 6-1-17.)

7 (220 ILCS 5/16-111.5)

8 Sec. 16-111.5. Provisions relating to procurement.

9 (a) An electric utility that on December 31, 2005 served at
10 least 100,000 customers in Illinois shall procure power and
11 energy for its eligible retail customers in accordance with the
12 applicable provisions set forth in Section 1-75 of the Illinois
13 Power Agency Act and this Section. Beginning with the delivery
14 year commencing on June 1, 2017, such electric utility shall
15 also procure zero emission credits from zero emission
16 facilities in accordance with the applicable provisions set
17 forth in Section 1-75 of the Illinois Power Agency Act, and,
18 for years beginning on or after June 1, 2017, the utility shall
19 procure renewable energy resources in accordance with the
20 applicable provisions set forth in Section 1-75 of the Illinois
21 Power Agency Act and this Section. A small multi-jurisdictional
22 electric utility that on December 31, 2005 served less than
23 100,000 customers in Illinois may elect to procure power and
24 energy for all or a portion of its eligible Illinois retail
25 customers in accordance with the applicable provisions set

1 forth in this Section and Section 1-75 of the Illinois Power
2 Agency Act. This Section shall not apply to a small
3 multi-jurisdictional utility until such time as a small
4 multi-jurisdictional utility requests the Illinois Power
5 Agency to prepare a procurement plan for its eligible retail
6 customers. "Eligible retail customers" for the purposes of this
7 Section means those retail customers that purchase power and
8 energy from the electric utility under fixed-price bundled
9 service tariffs, other than those retail customers whose
10 service is declared or deemed competitive under Section 16-113
11 and those other customer groups specified in this Section,
12 including self-generating customers, customers electing hourly
13 pricing, or those customers who are otherwise ineligible for
14 fixed-price bundled tariff service. For those customers that
15 are excluded from the procurement plan's electric supply
16 service requirements, and the utility shall procure any supply
17 requirements, including capacity, ancillary services, and
18 hourly priced energy, in the applicable markets as needed to
19 serve those customers, provided that the utility may include in
20 its procurement plan load requirements for the load that is
21 associated with those retail customers whose service has been
22 declared or deemed competitive pursuant to Section 16-113 of
23 this Act to the extent that those customers are purchasing
24 power and energy during one of the transition periods
25 identified in subsection (b) of Section 16-113 of this Act.

26 (b) A procurement plan shall be prepared for each electric

1 utility consistent with the applicable requirements of the
2 Illinois Power Agency Act and this Section. For purposes of
3 this Section, Illinois electric utilities that are affiliated
4 by virtue of a common parent company are considered to be a
5 single electric utility. Small multi-jurisdictional utilities
6 may request a procurement plan for a portion of or all of its
7 Illinois load. Each procurement plan shall analyze the
8 projected balance of supply and demand for those retail
9 customers to be included in the plan's electric supply service
10 requirements over a 5-year period, with the first planning year
11 beginning on June 1 of the year following the year in which the
12 plan is filed. The plan shall specifically identify the
13 wholesale products to be procured following plan approval, and
14 shall follow all the requirements set forth in the Public
15 Utilities Act and all applicable State and federal laws,
16 statutes, rules, or regulations, as well as Commission orders.
17 Nothing in this Section precludes consideration of contracts
18 longer than 5 years and related forecast data. Unless specified
19 otherwise in this Section, in the procurement plan or in the
20 implementing tariff, any procurement occurring in accordance
21 with this plan shall be competitively bid through a request for
22 proposals process. Approval and implementation of the
23 procurement plan shall be subject to review and approval by the
24 Commission according to the provisions set forth in this
25 Section. A procurement plan shall include each of the following
26 components:

- 1 (1) Hourly load analysis. This analysis shall include:
 - 2 (i) multi-year historical analysis of hourly
 - 3 loads;
 - 4 (ii) switching trends and competitive retail
 - 5 market analysis;
 - 6 (iii) known or projected changes to future loads;
- 7 and
- 8 (iv) growth forecasts by customer class.

- 9 (2) Analysis of the impact of any demand side and
- 10 renewable energy initiatives. This analysis shall include:
 - 11 (i) the impact of demand response programs and
 - 12 energy efficiency programs, both current and
 - 13 projected; for small multi-jurisdictional utilities,
 - 14 the impact of demand response and energy efficiency
 - 15 programs approved pursuant to Section 8-408 of this
 - 16 Act, both current and projected; and

- 17 (ii) supply side needs that are projected to be
- 18 offset by purchases of renewable energy resources, if
- 19 any.

- 20 (3) A plan for meeting the expected load requirements
- 21 that will not be met through preexisting contracts. This
- 22 plan shall include:

- 23 (i) definitions of the different Illinois retail
- 24 customer classes for which supply is being purchased;

- 25 (ii) the proposed mix of demand-response products
- 26 for which contracts will be executed during the next

1 year. For small multi-jurisdictional electric
2 utilities that on December 31, 2005 served fewer than
3 100,000 customers in Illinois, these shall be defined
4 as demand-response products offered in an energy
5 efficiency plan approved pursuant to Section 8-408 of
6 this Act. The cost-effective demand-response measures
7 shall be procured whenever the cost is lower than
8 procuring comparable capacity products, provided that
9 such products shall:

10 (A) be procured by a demand-response provider
11 from those retail customers included in the plan's
12 electric supply service requirements;

13 (B) at least satisfy the demand-response
14 requirements of the regional transmission
15 organization market in which the utility's service
16 territory is located, including, but not limited
17 to, any applicable capacity or dispatch
18 requirements;

19 (C) provide for customers' participation in
20 the stream of benefits produced by the
21 demand-response products;

22 (D) provide for reimbursement by the
23 demand-response provider of the utility for any
24 costs incurred as a result of the failure of the
25 supplier of such products to perform its
26 obligations thereunder; and

(E) meet the same credit requirements as apply to suppliers of capacity, in the applicable regional transmission organization market;

(iii) monthly forecasted system supply requirements, including expected minimum, maximum, and average values for the planning period;

(iv) the proposed mix and selection of standard wholesale products for which contracts will be executed during the next year, separately or in combination, to meet that portion of its load requirements not met through pre-existing contracts, including but not limited to monthly 5 x 16 peak period block energy, monthly off-peak wrap energy, monthly 7 x 24 energy, annual 5 x 16 energy, annual off-peak wrap energy, annual 7 x 24 energy, monthly capacity, annual capacity, peak load capacity obligations, capacity purchase plan, and ancillary services;

(v) proposed term structures for each wholesale product type included in the proposed procurement plan portfolio of products; and

(vi) an assessment of the price risk, load uncertainty, and other factors that are associated with the proposed procurement plan; this assessment, to the extent possible, shall include an analysis of the following factors: contract terms, time frames for securing products or services, fuel costs, weather

1 patterns, transmission costs, market conditions, and
2 the governmental regulatory environment; the proposed
3 procurement plan shall also identify alternatives for
4 those portfolio measures that are identified as having
5 significant price risk.

6 (4) Proposed procedures for balancing loads. The
7 procurement plan shall include, for load requirements
8 included in the procurement plan, the process for (i)
9 hourly balancing of supply and demand and (ii) the criteria
10 for portfolio re-balancing in the event of significant
11 shifts in load.

12 (5) Long-Term Renewable Resources Procurement Plan.
13 The Agency shall prepare a long-term renewable resources
14 procurement plan for the procurement of renewable energy
15 credits under Sections 1-56 and 1-75 of the Illinois Power
16 Agency Act for delivery beginning in the 2017 delivery
17 year.

18 (i) The initial long-term renewable resources
19 procurement plan and all subsequent revisions shall be
20 subject to review and approval by the Commission. For
21 the purposes of this Section, "delivery year" has the
22 same meaning as in Section 1-10 of the Illinois Power
23 Agency Act. For purposes of this Section, "Agency"
24 shall mean the Illinois Power Agency.

25 (ii) The long-term renewable resources planning
26 process shall be conducted as follows:

(A) Electric utilities shall provide a range of load forecasts to the Illinois Power Agency within 45 days of the Agency's request for forecasts, which request shall specify the length and conditions for the forecasts including, but not limited to, the quantity of distributed generation expected to be interconnected for each year.

(B) The Agency shall publish for comment the initial long-term renewable resources procurement plan no later than 120 days after the effective date of this amendatory Act of the 99th General Assembly and shall review, and may revise, the plan at least every 2 years thereafter. To the extent practicable, the Agency shall review and propose any revisions to the long-term renewable energy resources procurement plan in conjunction with the Agency's other planning and approval processes conducted under this Section. The initial long-term renewable resources procurement plan shall:

(aa) Identify the procurement programs and competitive procurement events consistent with the applicable requirements of the Illinois Power Agency Act and shall be designed to achieve the goals set forth in subsection (c)

of Section 1-75 of that Act.

(bb) Include a schedule for procurements for renewable energy credits from utility-scale wind projects, utility-scale solar projects, and brownfield site photovoltaic projects consistent with subparagraph (G) of paragraph (1) of subsection (c) of Section 1-75 of the Illinois Power Agency Act.

(cc) Identify the process whereby the Agency will submit to the Commission for review and approval the proposed contracts to implement the programs required by such plan.

Copies of the initial long-term renewable resources procurement plan and all subsequent revisions shall be posted and made publicly available on the Agency's and Commission's websites, and copies shall also be provided to each affected electric utility. An affected utility and other interested parties shall have 45 days following the date of posting to provide comment to the Agency on the initial long-term renewable resources procurement plan and all subsequent revisions. All comments submitted to the Agency shall be specific, supported by data or other detailed analyses, and, if objecting to all or a

portion of the procurement plan, accompanied by specific alternative wording or proposals. All comments shall be posted on the Agency's and Commission's websites. During this 45-day comment period, the Agency shall hold at least one public hearing within each utility's service area that is subject to the requirements of this paragraph (5) for the purpose of receiving public comment. Within 21 days following the end of the 45-day review period, the Agency may revise the long-term renewable resources procurement plan based on the comments received and shall file the plan with the Commission for review and approval.

(C) Within 14 days after the filing of the initial long-term renewable resources procurement plan or any subsequent revisions, any person objecting to the plan may file an objection with the Commission. Within 21 days after the filing of the plan, the Commission shall determine whether a hearing is necessary. The Commission shall enter its order confirming or modifying the initial long-term renewable resources procurement plan or any subsequent revisions within 120 days after the filing of the plan by the Illinois Power Agency.

(D) The Commission shall approve the initial long-term renewable resources procurement plan and

any subsequent revisions, including expressly the forecast used in the plan and taking into account that funding will be limited to the amount of revenues actually collected by the utilities, if the Commission determines that the plan will reasonably and prudently accomplish the requirements of Section 1-56 and subsection (c) of Section 1-75 of the Illinois Power Agency Act. The Commission shall also approve the process for the submission, review, and approval of the proposed contracts to procure renewable energy credits or implement the programs authorized by the Commission pursuant to a long-term renewable resources procurement plan approved under this Section.

(iii) The Agency or third parties contracted by the Agency shall implement all programs authorized by the Commission in an approved long-term renewable resources procurement plan without further review and approval by the Commission. Third parties shall not begin implementing any programs or receive any payment under this Section until the Commission has approved the contract or contracts under the process authorized by the Commission in item (D) of subparagraph (ii) of paragraph (5) of this subsection (b) and the third party and the Agency or utility, as applicable, have

1 executed the contract. For those renewable energy
2 credits subject to procurement through a competitive
3 bid process under the plan or under the initial forward
4 procurements for wind and solar resources described in
5 subparagraph (G) of paragraph (1) of subsection (c) of
6 Section 1-75 of the Illinois Power Agency Act, the
7 Agency shall follow the procurement process specified
8 in the provisions relating to electricity procurement
9 in subsections (e) through (i) of this Section.

10 (iv) An electric utility shall recover its costs
11 associated with the procurement of renewable energy
12 credits under this Section and pursuant to subsection
13 (c-5) of Section 1-75 of the Illinois Power Agency Act
14 through an automatic adjustment clause tariff under
15 subsection (k) or subsection (i-5), as applicable, of
16 Section 16-108 of this Act. A utility shall not be
17 required to advance any payment or pay any amounts
18 under this Section that exceed the actual amount of
19 revenues collected by the utility under paragraph (6)
20 of subsection (c) of Section 1-75 of the Illinois Power
21 Agency Act, subsection (c-5) of Section 1-75 of the
22 Illinois Power Agency Act, and subsection (k) or
23 subsection (i-5), as applicable, of Section 16-108 of
24 this Act, and contracts executed under this Section
25 shall expressly incorporate this limitation.

26 (v) For the public interest, safety, and welfare,

1 the Agency and the Commission may adopt rules to carry
2 out the provisions of this Section on an emergency
3 basis immediately following the effective date of this
4 amendatory Act of the 99th General Assembly.

5 (vi) On or before July 1 of each year, the
6 Commission shall hold an informal hearing for the
7 purpose of receiving comments on the prior year's
8 procurement process and any recommendations for
9 change.

10 (b-5) An electric utility that as of January 1, 2019 serves
11 more than 300,000 retail customers in this State shall purchase
12 renewable energy credits from new renewable energy resources
13 constructed at the sites of coal-fueled electric generating
14 facilities in this State in accordance with subsection (c-5) of
15 Section 1-75 of the Illinois Power Agency Act. Except as
16 expressly provided in this Section 16-111.5, the plans and
17 procedures for such procurements shall not be included in the
18 procurement plans provided for in this Section 16-111.5, but
19 rather shall be conducted and implemented solely in accordance
20 with subsection (c-5) of Section 1-75 of the Illinois Power
21 Agency Act.

22 (c) The provisions of this subsection (c) shall not apply
23 to procurements conducted pursuant to subsection (c-5) of
24 Section 1-75 of the Illinois Power Agency Act. However, the
25 Agency may retain a procurement administrator to assist the
26 Agency in planning and carrying out the procurement events and

1 implementing the other requirements specified in such
2 subsection (c-5) of Section 1-75 of the Illinois Power Agency
3 Act, with the costs incurred by the Agency for the procurement
4 administrator to be recovered through fees charged to
5 applicants for selection to sell and deliver renewable energy
6 credits to electric utilities pursuant to such subsection
7 (c-5). The procurement process set forth in Section 1-75 of the
8 Illinois Power Agency Act and subsection (e) of this Section
9 shall be administered by a procurement administrator and
10 monitored by a procurement monitor.

- 11 (1) The procurement administrator shall:
- 12 (i) design the final procurement process in
13 accordance with Section 1-75 of the Illinois Power
14 Agency Act and subsection (e) of this Section following
15 Commission approval of the procurement plan;
- 16 (ii) develop benchmarks in accordance with
17 subsection (e)(3) to be used to evaluate bids; these
18 benchmarks shall be submitted to the Commission for
19 review and approval on a confidential basis prior to
20 the procurement event;
- 21 (iii) serve as the interface between the electric
22 utility and suppliers;
- 23 (iv) manage the bidder pre-qualification and
24 registration process;
- 25 (v) obtain the electric utilities' agreement to
26 the final form of all supply contracts and credit

1 collateral agreements;

2 (vi) administer the request for proposals process;

3 (vii) have the discretion to negotiate to
4 determine whether bidders are willing to lower the
5 price of bids that meet the benchmarks approved by the
6 Commission; any post-bid negotiations with bidders
7 shall be limited to price only and shall be completed
8 within 24 hours after opening the sealed bids and shall
9 be conducted in a fair and unbiased manner; in
10 conducting the negotiations, there shall be no
11 disclosure of any information derived from proposals
12 submitted by competing bidders; if information is
13 disclosed to any bidder, it shall be provided to all
14 competing bidders;

15 (viii) maintain confidentiality of supplier and
16 bidding information in a manner consistent with all
17 applicable laws, rules, regulations, and tariffs;

18 (ix) submit a confidential report to the
19 Commission recommending acceptance or rejection of
20 bids;

21 (x) notify the utility of contract counterparties
22 and contract specifics; and

23 (xi) administer related contingency procurement
24 events.

25 (2) The procurement monitor, who shall be retained by
26 the Commission, shall:

(i) monitor interactions among the procurement administrator, suppliers, and utility;

(ii) monitor and report to the Commission on the progress of the procurement process;

(iii) provide an independent confidential report to the Commission regarding the results of the procurement event;

(iv) assess compliance with the procurement plans approved by the Commission for each utility that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois and for each small multi-jurisdictional utility that on December 31, 2005 served less than 100,000 customers in Illinois;

(v) preserve the confidentiality of supplier and bidding information in a manner consistent with all applicable laws, rules, regulations, and tariffs;

(vi) provide expert advice to the Commission and consult with the procurement administrator regarding issues related to procurement process design, rules, protocols, and policy-related matters; and

(vii) consult with the procurement administrator regarding the development and use of benchmark criteria, standard form contracts, credit policies, and bid documents.

(d) Except as provided in subsection (j), the planning process shall be conducted as follows:

1 (1) Beginning in 2008, each Illinois utility procuring
2 power pursuant to this Section shall annually provide a
3 range of load forecasts to the Illinois Power Agency by
4 July 15 of each year, or such other date as may be required
5 by the Commission or Agency. The load forecasts shall cover
6 the 5-year procurement planning period for the next
7 procurement plan and shall include hourly data
8 representing a high-load, low-load, and expected-load
9 scenario for the load of those retail customers included in
10 the plan's electric supply service requirements. The
11 utility shall provide supporting data and assumptions for
12 each of the scenarios.

13 (2) Beginning in 2008, the Illinois Power Agency shall
14 prepare a procurement plan by August 15th of each year, or
15 such other date as may be required by the Commission. The
16 procurement plan shall identify the portfolio of
17 demand-response and power and energy products to be
18 procured. Cost-effective demand-response measures shall be
19 procured as set forth in item (iii) of subsection (b) of
20 this Section. Copies of the procurement plan shall be
21 posted and made publicly available on the Agency's and
22 Commission's websites, and copies shall also be provided to
23 each affected electric utility. An affected utility shall
24 have 30 days following the date of posting to provide
25 comment to the Agency on the procurement plan. Other
26 interested entities also may comment on the procurement

1 plan. All comments submitted to the Agency shall be
2 specific, supported by data or other detailed analyses,
3 and, if objecting to all or a portion of the procurement
4 plan, accompanied by specific alternative wording or
5 proposals. All comments shall be posted on the Agency's and
6 Commission's websites. During this 30-day comment period,
7 the Agency shall hold at least one public hearing within
8 each utility's service area for the purpose of receiving
9 public comment on the procurement plan. Within 14 days
10 following the end of the 30-day review period, the Agency
11 shall revise the procurement plan as necessary based on the
12 comments received and file the procurement plan with the
13 Commission and post the procurement plan on the websites.

14 (3) Within 5 days after the filing of the procurement
15 plan, any person objecting to the procurement plan shall
16 file an objection with the Commission. Within 10 days after
17 the filing, the Commission shall determine whether a
18 hearing is necessary. The Commission shall enter its order
19 confirming or modifying the procurement plan within 90 days
20 after the filing of the procurement plan by the Illinois
21 Power Agency.

22 (4) The Commission shall approve the procurement plan,
23 including expressly the forecast used in the procurement
24 plan, if the Commission determines that it will ensure
25 adequate, reliable, affordable, efficient, and
26 environmentally sustainable electric service at the lowest

1 total cost over time, taking into account any benefits of
2 price stability.

3 (4.5) The Commission shall review and approve the
4 Agency's recommendation for the selection of applicants to
5 enter into long-term contracts for the sale and delivery of
6 renewable energy credits from new renewable energy
7 resources to be constructed at the sites of coal-fueled
8 electric generating facilities in this State in accordance
9 with the provisions of subsection (c-5) of Section 1-75 of
10 the Illinois Power Agency Act, if the Commission determines
11 that the applicants recommended by the Agency for
12 selection, the proposed new renewable energy resources to
13 be constructed, the amounts of renewable energy credits to
14 be delivered pursuant to such contracts, and the other
15 terms of the contracts, are consistent with the
16 requirements of subsection (c-5) of Section 1-75 of the
17 Illinois Power Agency Act.

18 (e) The procurement process shall include each of the
19 following components:

20 (1) Solicitation, pre-qualification, and registration
21 of bidders. The procurement administrator shall
22 disseminate information to potential bidders to promote a
23 procurement event, notify potential bidders that the
24 procurement administrator may enter into a post-bid price
25 negotiation with bidders that meet the applicable
26 benchmarks, provide supply requirements, and otherwise

1 explain the competitive procurement process. In addition
2 to such other publication as the procurement administrator
3 determines is appropriate, this information shall be
4 posted on the Illinois Power Agency's and the Commission's
5 websites. The procurement administrator shall also
6 administer the prequalification process, including
7 evaluation of credit worthiness, compliance with
8 procurement rules, and agreement to the standard form
9 contract developed pursuant to paragraph (2) of this
10 subsection (e). The procurement administrator shall then
11 identify and register bidders to participate in the
12 procurement event.

13 (2) Standard contract forms and credit terms and
14 instruments. The procurement administrator, in
15 consultation with the utilities, the Commission, and other
16 interested parties and subject to Commission oversight,
17 shall develop and provide standard contract forms for the
18 supplier contracts that meet generally accepted industry
19 practices. Standard credit terms and instruments that meet
20 generally accepted industry practices shall be similarly
21 developed. The procurement administrator shall make
22 available to the Commission all written comments it
23 receives on the contract forms, credit terms, or
24 instruments. If the procurement administrator cannot reach
25 agreement with the applicable electric utility as to the
26 contract terms and conditions, the procurement

1 administrator must notify the Commission of any disputed
2 terms and the Commission shall resolve the dispute. The
3 terms of the contracts shall not be subject to negotiation
4 by winning bidders, and the bidders must agree to the terms
5 of the contract in advance so that winning bids are
6 selected solely on the basis of price.

7 (3) Establishment of a market-based price benchmark.
8 As part of the development of the procurement process, the
9 procurement administrator, in consultation with the
10 Commission staff, Agency staff, and the procurement
11 monitor, shall establish benchmarks for evaluating the
12 final prices in the contracts for each of the products that
13 will be procured through the procurement process. The
14 benchmarks shall be based on price data for similar
15 products for the same delivery period and same delivery
16 hub, or other delivery hubs after adjusting for that
17 difference. The price benchmarks may also be adjusted to
18 take into account differences between the information
19 reflected in the underlying data sources and the specific
20 products and procurement process being used to procure
21 power for the Illinois utilities. The benchmarks shall be
22 confidential but shall be provided to, and will be subject
23 to Commission review and approval, prior to a procurement
24 event.

25 (4) Request for proposals competitive procurement
26 process. The procurement administrator shall design and

1 issue a request for proposals to supply electricity in
2 accordance with each utility's procurement plan, as
3 approved by the Commission. The request for proposals shall
4 set forth a procedure for sealed, binding commitment
5 bidding with pay-as-bid settlement, and provision for
6 selection of bids on the basis of price.

7 (5) A plan for implementing contingencies in the event
8 of supplier default or failure of the procurement process
9 to fully meet the expected load requirement due to
10 insufficient supplier participation, Commission rejection
11 of results, or any other cause.

12 (i) Event of supplier default: In the event of
13 supplier default, the utility shall review the
14 contract of the defaulting supplier to determine if the
15 amount of supply is 200 megawatts or greater, and if
16 there are more than 60 days remaining of the contract
17 term. If both of these conditions are met, and the
18 default results in termination of the contract, the
19 utility shall immediately notify the Illinois Power
20 Agency that a request for proposals must be issued to
21 procure replacement power, and the procurement
22 administrator shall run an additional procurement
23 event. If the contracted supply of the defaulting
24 supplier is less than 200 megawatts or there are less
25 than 60 days remaining of the contract term, the
26 utility shall procure power and energy from the

1 applicable regional transmission organization market,
2 including ancillary services, capacity, and day-ahead
3 or real time energy, or both, for the duration of the
4 contract term to replace the contracted supply;
5 provided, however, that if a needed product is not
6 available through the regional transmission
7 organization market it shall be purchased from the
8 wholesale market.

9 (ii) Failure of the procurement process to fully
10 meet the expected load requirement: If the procurement
11 process fails to fully meet the expected load
12 requirement due to insufficient supplier participation
13 or due to a Commission rejection of the procurement
14 results, the procurement administrator, the
15 procurement monitor, and the Commission staff shall
16 meet within 10 days to analyze potential causes of low
17 supplier interest or causes for the Commission
18 decision. If changes are identified that would likely
19 result in increased supplier participation, or that
20 would address concerns causing the Commission to
21 reject the results of the prior procurement event, the
22 procurement administrator may implement those changes
23 and rerun the request for proposals process according
24 to a schedule determined by those parties and
25 consistent with Section 1-75 of the Illinois Power
26 Agency Act and this subsection. In any event, a new

1 request for proposals process shall be implemented by
2 the procurement administrator within 90 days after the
3 determination that the procurement process has failed
4 to fully meet the expected load requirement.

5 (iii) In all cases where there is insufficient
6 supply provided under contracts awarded through the
7 procurement process to fully meet the electric
8 utility's load requirement, the utility shall meet the
9 load requirement by procuring power and energy from the
10 applicable regional transmission organization market,
11 including ancillary services, capacity, and day-ahead
12 or real time energy, or both; provided, however, that
13 if a needed product is not available through the
14 regional transmission organization market it shall be
15 purchased from the wholesale market.

16 (6) The procurement processes ~~process~~ described in
17 this subsection and in subsection (c-5) of Section 1-75 of
18 the Illinois Power Agency Act are ~~is~~ exempt from the
19 requirements of the Illinois Procurement Code, pursuant to
20 Section 20-10 of that Code.

21 (f) Within 2 business days after opening the sealed bids,
22 the procurement administrator shall submit a confidential
23 report to the Commission. The report shall contain the results
24 of the bidding for each of the products along with the
25 procurement administrator's recommendation for the acceptance
26 and rejection of bids based on the price benchmark criteria and

1 other factors observed in the process. The procurement monitor
2 also shall submit a confidential report to the Commission
3 within 2 business days after opening the sealed bids. The
4 report shall contain the procurement monitor's assessment of
5 bidder behavior in the process as well as an assessment of the
6 procurement administrator's compliance with the procurement
7 process and rules. The Commission shall review the confidential
8 reports submitted by the procurement administrator and
9 procurement monitor, and shall accept or reject the
10 recommendations of the procurement administrator within 2
11 business days after receipt of the reports.

12 (g) Within 3 business days after the Commission decision
13 approving the results of a procurement event, the utility shall
14 enter into binding contractual arrangements with the winning
15 suppliers using the standard form contracts; except that the
16 utility shall not be required either directly or indirectly to
17 execute the contracts if a tariff that is consistent with
18 subsection (l) of this Section has not been approved and placed
19 into effect for that utility.

20 (h) The names of the successful bidders and the load
21 weighted average of the winning bid prices for each contract
22 type and for each contract term shall be made available to the
23 public at the time of Commission approval of a procurement
24 event. The Commission, the procurement monitor, the
25 procurement administrator, the Illinois Power Agency, and all
26 participants in the procurement process shall maintain the

1 confidentiality of all other supplier and bidding information
2 in a manner consistent with all applicable laws, rules,
3 regulations, and tariffs. Confidential information, including
4 the confidential reports submitted by the procurement
5 administrator and procurement monitor pursuant to subsection
6 (f) of this Section, shall not be made publicly available and
7 shall not be discoverable by any party in any proceeding,
8 absent a compelling demonstration of need, nor shall those
9 reports be admissible in any proceeding other than one for law
10 enforcement purposes.

11 (i) Within 2 business days after a Commission decision
12 approving the results of a procurement event or such other date
13 as may be required by the Commission from time to time, the
14 utility shall file for informational purposes with the
15 Commission its actual or estimated retail supply charges, as
16 applicable, by customer supply group reflecting the costs
17 associated with the procurement and computed in accordance with
18 the tariffs filed pursuant to subsection (l) of this Section
19 and approved by the Commission.

20 (j) Within 60 days following August 28, 2007 (the effective
21 date of Public Act 95-481), each electric utility that on
22 December 31, 2005 provided electric service to at least 100,000
23 customers in Illinois shall prepare and file with the
24 Commission an initial procurement plan, which shall conform in
25 all material respects to the requirements of the procurement
26 plan set forth in subsection (b); provided, however, that the

1 Illinois Power Agency Act shall not apply to the initial
2 procurement plan prepared pursuant to this subsection. The
3 initial procurement plan shall identify the portfolio of power
4 and energy products to be procured and delivered for the period
5 June 2008 through May 2009, and shall identify the proposed
6 procurement administrator, who shall have the same experience
7 and expertise as is required of a procurement administrator
8 hired pursuant to Section 1-75 of the Illinois Power Agency
9 Act. Copies of the procurement plan shall be posted and made
10 publicly available on the Commission's website. The initial
11 procurement plan may include contracts for renewable resources
12 that extend beyond May 2009.

13 (i) Within 14 days following filing of the initial
14 procurement plan, any person may file a detailed objection
15 with the Commission contesting the procurement plan
16 submitted by the electric utility. All objections to the
17 electric utility's plan shall be specific, supported by
18 data or other detailed analyses. The electric utility may
19 file a response to any objections to its procurement plan
20 within 7 days after the date objections are due to be
21 filed. Within 7 days after the date the utility's response
22 is due, the Commission shall determine whether a hearing is
23 necessary. If it determines that a hearing is necessary, it
24 shall require the hearing to be completed and issue an
25 order on the procurement plan within 60 days after the
26 filing of the procurement plan by the electric utility.

1 (ii) The order shall approve or modify the procurement
2 plan, approve an independent procurement administrator,
3 and approve or modify the electric utility's tariffs that
4 are proposed with the initial procurement plan. The
5 Commission shall approve the procurement plan if the
6 Commission determines that it will ensure adequate,
7 reliable, affordable, efficient, and environmentally
8 sustainable electric service at the lowest total cost over
9 time, taking into account any benefits of price stability.

10 (k) (Blank).

11 (k-5) (Blank).

12 (l) An electric utility shall recover its costs incurred
13 under this Section and subsection (c-5) of Section 1-75 of the
14 Illinois Power Agency Act, including, but not limited to, the
15 costs of procuring power and energy demand-response resources
16 under this Section and its costs for purchasing renewable
17 energy credits pursuant to subsection (c-5) of Section 1-75 of
18 the Illinois Power Agency Act. The utility shall file with the
19 initial procurement plan its proposed tariffs through which its
20 costs of procuring power that are incurred pursuant to a
21 Commission-approved procurement plan and those other costs
22 identified in this subsection (l), will be recovered. The
23 tariffs shall include a formula rate or charge designed to pass
24 through both the costs incurred by the utility in procuring a
25 supply of electric power and energy for the applicable customer
26 classes with no mark-up or return on the price paid by the

1 utility for that supply, plus any just and reasonable costs
2 that the utility incurs in arranging and providing for the
3 supply of electric power and energy. The formula rate or charge
4 shall also contain provisions that ensure that its application
5 does not result in over or under recovery due to changes in
6 customer usage and demand patterns, and that provide for the
7 correction, on at least an annual basis, of any accounting
8 errors that may occur. A utility shall recover through the
9 tariff all reasonable costs incurred to implement or comply
10 with any procurement plan that is developed and put into effect
11 pursuant to Section 1-75 of the Illinois Power Agency Act and
12 this Section, and for the procurement of renewable energy
13 credits pursuant to subsection (c-5) of Section 1-75 of the
14 Illinois Power Agency Act, including any fees assessed by the
15 Illinois Power Agency, costs associated with load balancing,
16 and contingency plan costs. The electric utility shall also
17 recover its full costs of procuring electric supply for which
18 it contracted before the effective date of this Section in
19 conjunction with the provision of full requirements service
20 under fixed-price bundled service tariffs subsequent to
21 December 31, 2006. All such costs shall be deemed to have been
22 prudently incurred. The pass-through tariffs that are filed and
23 approved pursuant to this Section shall not be subject to
24 review under, or in any way limited by, Section 16-111(i) of
25 this Act. All of the costs incurred by the electric utility
26 associated with the purchase of zero emission credits in

1 accordance with subsection (d-5) of Section 1-75 of the
2 Illinois Power Agency Act and, beginning June 1, 2017, all of
3 the costs incurred by the electric utility associated with the
4 purchase of renewable energy resources in accordance with
5 Sections 1-56 and 1-75 of the Illinois Power Agency Act, and
6 all of the costs incurred by the electric utility in purchasing
7 renewable energy credits in accordance with subsection (c-5) of
8 Section 1-75 of the Illinois Power Agency Act, shall be
9 recovered through the electric utility's tariffed charges
10 applicable to all of its retail customers, as specified in
11 subsection (k) or (i-5), as applicable, of Section 16-108 of
12 this Act, and shall not be recovered through the electric
13 utility's tariffed charges for electric power and energy supply
14 to its eligible retail customers.

15 (m) The Commission has the authority to adopt rules to
16 carry out the provisions of this Section. For the public
17 interest, safety, and welfare, the Commission also has
18 authority to adopt rules to carry out the provisions of this
19 Section on an emergency basis immediately following August 28,
20 2007 (the effective date of Public Act 95-481).

21 (n) Notwithstanding any other provision of this Act, any
22 affiliated electric utilities that submit a single procurement
23 plan covering their combined needs may procure for those
24 combined needs in conjunction with that plan, and may enter
25 jointly into power supply contracts, purchases, and other
26 procurement arrangements, and allocate capacity and energy and

1 cost responsibility therefor among themselves in proportion to
2 their requirements.

3 (o) On or before June 1 of each year, the Commission shall
4 hold an informal hearing for the purpose of receiving comments
5 on the prior year's procurement process and any recommendations
6 for change.

7 (p) An electric utility subject to this Section may propose
8 to invest, lease, own, or operate an electric generation
9 facility as part of its procurement plan, provided the utility
10 demonstrates that such facility is the least-cost option to
11 provide electric service to those retail customers included in
12 the plan's electric supply service requirements. If the
13 facility is shown to be the least-cost option and is included
14 in a procurement plan prepared in accordance with Section 1-75
15 of the Illinois Power Agency Act and this Section, then the
16 electric utility shall make a filing pursuant to Section 8-406
17 of this Act, and may request of the Commission any statutory
18 relief required thereunder. If the Commission grants all of the
19 necessary approvals for the proposed facility, such supply
20 shall thereafter be considered as a pre-existing contract under
21 subsection (b) of this Section. The Commission shall in any
22 order approving a proposal under this subsection specify how
23 the utility will recover the prudently incurred costs of
24 investing in, leasing, owning, or operating such generation
25 facility through just and reasonable rates charged to those
26 retail customers included in the plan's electric supply service

1 requirements. Cost recovery for facilities included in the
2 utility's procurement plan pursuant to this subsection shall
3 not be subject to review under or in any way limited by the
4 provisions of Section 16-111(i) of this Act. Nothing in this
5 Section is intended to prohibit a utility from filing for a
6 fuel adjustment clause as is otherwise permitted under Section
7 9-220 of this Act.

8 (q) If the Illinois Power Agency filed with the Commission,
9 under Section 16-111.5 of this Act, its proposed procurement
10 plan for the period commencing June 1, 2017, and the Commission
11 has not yet entered its final order approving the plan on or
12 before the effective date of this amendatory Act of the 99th
13 General Assembly, then the Illinois Power Agency shall file a
14 notice of withdrawal with the Commission, after the effective
15 date of this amendatory Act of the 99th General Assembly, to
16 withdraw the proposed procurement of renewable energy
17 resources to be approved under the plan, other than the
18 procurement of renewable energy credits from distributed
19 renewable energy generation devices using funds previously
20 collected from electric utilities' retail customers that take
21 service pursuant to electric utilities' hourly pricing tariff
22 or tariffs and, for an electric utility that serves less than
23 100,000 retail customers in the State, other than the
24 procurement of renewable energy credits from distributed
25 renewable energy generation devices. Upon receipt of the
26 notice, the Commission shall enter an order that approves the

1 withdrawal of the proposed procurement of renewable energy
2 resources from the plan. The initially proposed procurement of
3 renewable energy resources shall not be approved or be the
4 subject of any further hearing, investigation, proceeding, or
5 order of any kind.

6 This amendatory Act of the 99th General Assembly preempts
7 and supersedes any order entered by the Commission that
8 approved the Illinois Power Agency's procurement plan for the
9 period commencing June 1, 2017, to the extent it is
10 inconsistent with the provisions of this amendatory Act of the
11 99th General Assembly. To the extent any previously entered
12 order approved the procurement of renewable energy resources,
13 the portion of that order approving the procurement shall be
14 void, other than the procurement of renewable energy credits
15 from distributed renewable energy generation devices using
16 funds previously collected from electric utilities' retail
17 customers that take service under electric utilities' hourly
18 pricing tariff or tariffs and, for an electric utility that
19 serves less than 100,000 retail customers in the State, other
20 than the procurement of renewable energy credits for
21 distributed renewable energy generation devices.

22 (Source: P.A. 99-906, eff. 6-1-17.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.".